



# **BOARD OF DIRECTORS MEETING**

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**Thursday, May 6, 2004**

**3:00 PM-5:00 PM**

## **AGENDA**

- I. INTRODUCTION AND WELCOME**
- II. APPROVAL OF MEETING MINUTES**
  - A. December 17, 2003 Board of Directors Meeting
  - B. December 9, 2003 Orientation Meeting for New Board Members
- III. CHAIRMAN'S REPORT**
  - A. Ratification of the appointment of Mr. Manny Gonzalez as the new ITC Executive Director
  - B. Ratification of ITC Chair appointment to the Board – Mr. Gene Prescott
  - C. Reporting on April 16, 2004 meeting to discuss “issues related to trade”, including possibility of conducting “industry day”
  - D. Update on ITC requests for State/ Federal funding
- IV. STANDING COMMITTEE REPORTS**
- V. EXECUTIVE DIRECTOR'S REPORT**
  - A. Ratification of Trade Missions Committee's Certification of third-party missions
  - B. Proposed ITC Budget for 04'-05' fiscal year
  - C. End of Mission Report – Mission to the Orient, March 2004
  - D. Reporting on Status of Missions – Sweden, Japan, Madagascar, Trinidad & Barbados
  - E. Status of hiring of marketing staff member
  - F. Status of Sister Cities current projects
- VI. PRESENTATION OF ECONOMIC IMPACT STUDY BY WASHINGTON ECONOMICS GROUP**
- VII. OTHER BUSINESS**
- VIII. GOOD OF THE ORDER – ROUND TABLE DISCUSSIONS**
- IX. ADJOURNMENT**



## **II. APPROVAL OF BOARD OF THE MINUTES OF**

- A. December 17, 2003 Board of Directors Meeting
- B. December 9, 2003 Orientation Meeting for New Board Members



**THE JAY MALINA  
INTERNATIONAL TRADE CONSORTIUM  
BOARD OF DIRECTORS**

**Meeting Minutes  
Wednesday, December 17, 2003**

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**Members Present:**

Comm. Jose "Pepe" Diaz  
Francisco Gonzalez  
William Alexander  
Wilfredo Gort  
Jana Sigers-Malina  
Rick Zelman  
Jose Luis Castillo  
Sang Whang

Chris Mangos  
Jill Klaskin-Press  
Rafael Diaz-Balart  
J. David Peña  
Chief Sandrell Rivers  
Dwayne A. Wynn  
Ed Patricoff

Miguel A. Amion  
Alex Gonzalez  
Lee Sandler  
Pete Pizarro  
Joe Perez Jones  
Gershwin Blyden  
Walter A. Loy

**Members Absent:**

Herman Echevarria  
Marlon Hill  
German Leiva  
Tony Crapp, Sr.  
Karen Hunter-Jackson

Jacqueline Del Cristo-Minges  
Bill Rammos  
Manny Mencia  
Burton Landy

Norman B. Athill  
Ramon Flores  
John Abisch  
Fernando Melo

**Guests Present:**

Stephen Stieglitz

Ivan Barrios (for Manny Mencia) Maria Lievano

**ITC Staff Present:**

J.A. "Tony" Ojeda, Jr.  
Desmond Alufohai

Jimmy Nares  
Cornelius Herelle

Clarence Bird, Jr.

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The Chairman of the International Trade Consortium, Commissioner Jose "Pepe" Diaz, called the meeting to order at 4:18 PM. He began by welcoming all Board Members present and asked them along with staff to introduce themselves.

The Chairman began with the Agenda presenting the Minutes of the ITC Board of Directors Meeting of October 16, 2003 for review and approval. A motion to approve the Minutes was made by Mr. Sandler, then seconded by Mr. Alexander and unanimously passed.

The Chairman proceeded to the next item on the agenda to welcome and introduce the newly appointed members to the Board. (See Attachment I)

On the next item of the agenda the Chairman asked the Board to ratify the ITC Chair appointments of Mr. Pete Pizarro and Mr. Joe Perez Jones. A motion to ratify was made by Mr. Sandler and seconded by Mr. Peña and unanimously passed.

The Chairman proceeded to the following item on the agenda and reported on the FTAA Ministerial held November 17-21, 2003 in downtown Miami. He began by thanking the Governor, the Mayor, all the enforcement agencies involved, protocol at the airport, everyone on the Board that took part of the Ministerial, and staff who were involved in the logistical planning of this monumental event, and announced that the Ministerial had been a great success and again congratulated everyone involved.

The Chairman proceeded to the next item on the agenda and asked for each Committee Chair to present to the Board their standing committee reports. Mr. Zelman reported on the Committee on Advocacy held Wednesday, November 12, 2003 (See Attachment II). Ms. Sandrell Rivers reported on the Committee on Speakers' Bureau and the Committee on Marketing, Website and Calendar held November 14, 2003 (See Attachment III). Mr. Sandler reported on behalf of Ms. Del Cristo-Minges on the Strategic Planning Committee held November 7, 2003 (See Attachment IV).

The Chairman introduced Mr. Ojeda to present the Executive Director's Report. Mr. Ojeda thanked the Chairman for his kind introduction and proceeded to report about the New ITC Board Members Orientation Meeting that took place on Tuesday, December 9, 2003. He explained that the meeting included briefings on the Sunshine Law Provisions; Ethics and Conflict of Interest; ITC History, Role and Mission; and ITC 2004 Budget.

Mr. Ojeda proceeded to announce that at the budget hearings held in September there was a motion made on the floor for the \$35,000 Caribbean Trade Initiative Program (CTI) to be housed within the ITC. He also announced that Mr. Alufohai had joined the ITC staff as a part time Trade Developer to manage the CTI program. Mr. Ojeda introduced Mr. Alufohai to present to the Board the proposed action plan for the CTI for FY '03-'04. He presented to the Board the following action plan: **1)** Organize two outgoing trade missions to Barbados and Trinidad & Tobago by September 30, 2004; **2)** Coordinate two incoming trade missions from St. Lucia and Haiti by September 30, 2004; **3)** Conduct a one day Caribbean awareness event, such as a workshop, a business card exchange, or a networking reception by July of 2004; and **4)** Compile a comprehensive database of Caribbean based organizations such as: major businesses, and consulates in Miami-Dade County by September 30, 2004.

Mr. Ojeda announced that in conjunction with the Greater Miami Chamber of Commerce and other Bi-National Chambers, the ITC was organizing a Mission to Singapore, Hong Kong, and Shanghai, March 5-17, 2004. He emphasized that during the stay in Singapore a mutual cooperation agreement would be signed between the ITC and the US Technology Center.

The Chairman announced that he wanted to bring "The Little Orient" (A Chinatown) to Miami and he noted that he wanted it located in the Empowerment Area, and wants everyone on the ITC Board to be involved in this special project.

Mr. Ojeda continued to report on the extension of the agreement the ITC had made with Indigo Key on the interactive database to be used for matchmaking and explained that under this new agreement it would increase the database from 13,000 members to 22,000 members. He noted that the agreement is undergoing review at Miami-Dade County Procurement process as a bid waiver. Mr. Ojeda also announced that the ITC was under the process of recruiting for an individual qualified to develop the ITC marketing efforts.

Mr. Ojeda proceeded to explain that the ITC and TMC By-Laws needed to be revised to reflect that no telephonic meetings could take place as per Sunshine Law requirements. The Chairman asked for a motion, Mr. Alexander moved and Mr. Sandler seconded the motion, then the motion passed anonymously.

Mr. Ojeda announced that the next Board Meeting in February would also be a Board Retreat to discuss, review and approve the ITC Programs and Budget for fiscal year 2004-2005.

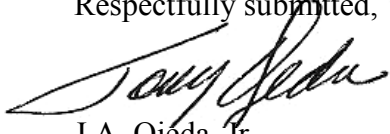
The ITC Board Meeting was adjourned at 5:45 PM to convene the TMC Board of Directors to discuss the TMC's request for proposal for the Economic Impact Study. Mr. Ojeda reported on the RFP for Economic Impact Study (See Attachment V). Mr. Ojeda requested that a Committee be created to negotiate and to also have the power to enter into a contract of \$30,000 with Washington Economics Group (WEG) should the negotiations be successful. The Chairman appointed Mr. Lee Sandler as Chair, Mrs. Jana Sigars-Malina, Mr. Ed Patricoff, and Ms. Jill Klaskin-Press to be members of the Negotiating Committee. A motion was made by Mr. Alexander, seconded by Mr. Pena, the motion was passed unanimously.

There being no further TMC business the TMC Board of Directors was adjourned at 5:55 PM.

The ITC Board of Directors' meeting re-convened at 5:55 PM. Mr. Ojeda unveiled and distributed on behalf of Ms. Jacqueline Del Cristo-Minges the ITC lapel pins to be used by all Board members to be identified as ITC members. Next, the Good of the Order was discussed.

There being no further business the meeting was adjourned at 6:25 PM.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "J.A. Ojeda, Jr.", written over a horizontal line.

J.A. Ojeda, Jr.  
Executive Director

Cc: Miami-Dade County Board of County Commissioners  
George M. Burgess, County Manager

JAO:cb

ATTACHMENT I  
Newly Appointed ITC Board Members

**Appointee of the ITC Chair**

Mr. Pete Pizarro  
Telefonica USA  
1221 Brickell Avenue, Suite 600  
Miami, Florida 33131  
305-925-5440 305-373-1685 Fax  
[ppizarro@us.telefonica-data.com](mailto:ppizarro@us.telefonica-data.com)  
**2 year term expires: November 2005**

**Appointee of the ITC Chair**

Mr. Joe Perez Jones  
Vice President  
Seaboard Marine  
8050 N.W. 79th Ave.  
Miami, Florida 33166  
305-863-4440 305-863-4777  
[joe\\_perezjones@seaboardmarine.com](mailto:joe_perezjones@seaboardmarine.com)  
**2 year term expires: November 2005**

**Representing The Board of County Commissioners  
District Nine**

Mr. Miguel Amion  
14295 SW 142<sup>nd</sup> Street  
Miami, Florida 33186  
305-252-3967 305-378-0787 Fax  
[Miguel@amion.org](mailto:Miguel@amion.org)  
**1 year term expires November 2004**

**Representing The Board of County Commissioners  
District Eleven**

Mr. Jose Luis Castillo  
16475 SW 76 Street  
Miami, Florida 33193  
305-752-7392 786-287-7690  
[lcasti112@aol.com](mailto:lcasti112@aol.com)  
**1 year term expires November 2004**

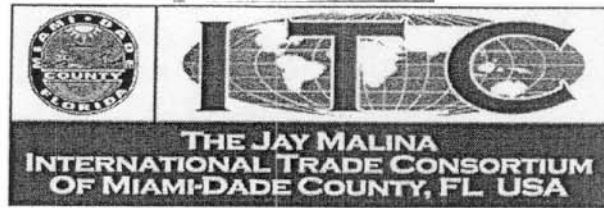
**Representing Miami-Dade Chamber of Commerce**

Mr. Sang Whang  
Korean-American Community Relations Council  
8445 S.W. 148<sup>th</sup> Drive  
Miami, Florida 33158  
305-235-5120 305-278-8775 Fax  
[info@alkalife.com](mailto:info@alkalife.com)  
**2 year term expires: November 2005**

**Representing The Greater Miami Chamber of Commerce**

Francisco J. Gonzalez  
Director International Practice Group  
Adorno & Yoss, P.A.  
2601 South Bayshore Drive, Suite 1600  
Miami, FL 33133  
Telephone: (305) 858-5555  
Direct line: (305) 860-7223  
Fax: (305) 858-4777  
email: [FJG@adorno.com](mailto:FJG@adorno.com)  
[www.adorno.com](http://www.adorno.com)  
**2 year term, expires November 2005**

**ATTACHMENT II**



**Committee on Advocacy  
Wednesday, November 12, 2003  
Report to the ITC**

**Attendees:** Rick Zelman, (Chair), Fernando Melo, Marlon Hill, J.A. "Tony" Ojeda Jr., and Desmond Alufohai (ITC Staff).

The meeting was called to order by the Chair at 8:00 a.m.

**Committee's Mission**

"To advocate and serve as a clearinghouse for trade issues important to the ITC constituency."

**Meeting Highlights**

Continuing working parameters for the Advocacy committee were discussed. It was therefore resolved that the Advocacy Committee of the ITC should:

- Advocate on important trade issues that has economic impact on our communities: Staff should therefore send a letter to the ITC board requesting for issues, such as the new FDA proposed regulation for registering food facilities – Public Health Security and Bio-terrorism Preparedness & Response Act of 2002 , that may economically impact their respective constituencies (See Attachment I).
- Educate the ITC constituencies and general public on major issues of trade and commerce that may be important to South Florida: Re-send the ITC Advocacy Guideline form to ITC board members and post same on the ITC website.  
The Chair of this committee should appoint members from the general public to participate in committee meetings.
- The Advocacy committee supports the Economic Impact Study of the ITC.
- A representative of Enterprise Florida and/or Beacon Council should be invited to participate regularly in the Advocacy committee meetings.  
Invite Mr. Miguel Southwell or representative of the Miami International Airport to brief members of the committee on trade and other issues that economically impact the airport.
- Strong interest and consideration for closer ties and working relationship with the following entities:
  - Trade Commissioners of the Consulates, Miami-Dade County Economic Development & Human Services Committee chaired by Commissioner Dorrin D. Rolle, etc.

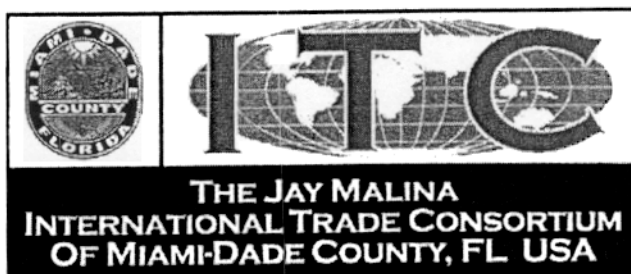
**Next Committee Meeting**

Date: Friday, December 12, 2003

Venue and time remains the same as above.

Meeting was adjourned at 9:00 a.m.

## ATTACHMENT I



December 8, 2004

Dear ITC Board members.

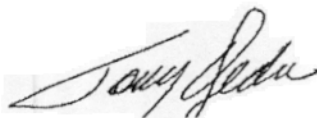
The World Trade Organization in its recently published 2002 World Trade report ranks the United States as the leading exporter [10.7%] and the second leading importer in world merchandise trade [18%]. However, in the last two years businesses, organizations and entrepreneurs have continued to operate in an unprecedented business environment of increased federal regulations that impact their business concerns.

These new regulations and other factors are forcing many businesses to adopt painful practices to meet customers and shareholders expectations. Also, many businesses are already reporting that these new regulatory mechanisms are already having adverse effects in their competitive abilities, contributing to higher operational costs.

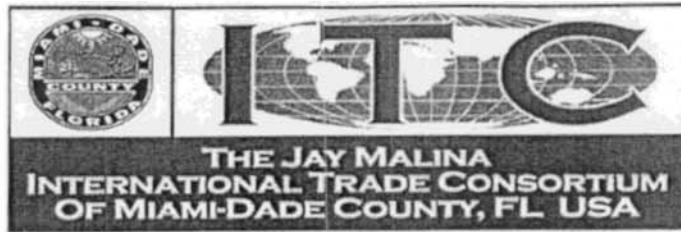
South Florida's strategic role in hemispheric trade is inextricably linked to the overall U.S. trade in merchandise. Pursuant to the stated mission of the Advocacy committee, which is *"to advocate and serve as a clearinghouse for trade issues important to the ITC constituency,"* we invite and encourage each ITC board member and the general public to inform us about how any particular local, State and federal regulation or other trade issues is affecting your business or industry.

Please complete and send us the attached Advocacy Guidelines form at your earliest convenience. The ITC staff will compile and process the forms for distribution at the general board meeting for deliberation.

Sincerely,



J.A. "Tony" Ojeda Jr.  
Executive Director



### ITC Advocacy Guidelines

Submitted By: \_\_\_\_\_  
(Name of Individual submitting request)

Presented By: \_\_\_\_\_  
(Name of Organization presenting the request)

Brief Explanation of your *Position* or *Issue*: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The impact which this *Issue* will have on the situation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Why should the ITC support this *Issue*?: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will this request require an appropriation of funds? Yes ☐ No ☐

If yes, what is the anticipated appropriation request? \$ \_\_\_\_\_

Identify the anticipated fiscal and economic impacts of your *Position* or *Issue* on Miami-Dade County Business Community: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

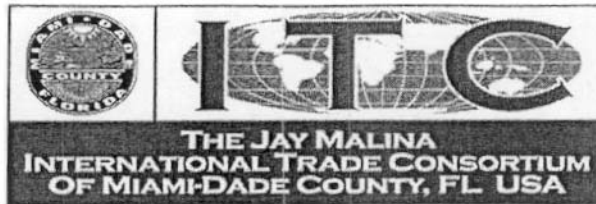
Please identify known or potential support for your proposed *Position* or *Issue*: \_\_\_\_\_  
\_\_\_\_\_

Please identify any known or potential opposition to this *Position* or *Issue*: \_\_\_\_\_  
\_\_\_\_\_

Date Submitted: \_\_\_\_\_ Your Signature: \_\_\_\_\_

PLEASE COMPLETE AND SEND THIS FORM TO THE JAY MALINA INTERNATIONAL TRADE [ITC] CONSORTIUM FOR PROCESSING BY OUR STAFF. THE ITC BOARD WILL DISCUSS AND VOTE ON THE MERIT OF EACH ISSUE.

**ATTACHMENT III**



**COMMITTEE ON SPEAKER'S BUREAU  
& COMMITTEE ON MARKETING, WEBSITE, AND CALENDAR  
MEETING OF NOVEMBER 14, 2003**

**Present:** Ms. Sandrell Rivers, Ms. Karen Hunter-Jackson, J. David Pena, Jose Luis Castillo

**Staff Present:** Mayda Rescendi, Clarence Bird, Jr.

The meeting for both Committees was called to order at 10:15 AM

Ms. Hunter-Jackson began the meeting by reviewing the responsibilities of the Committees and discussed different strategies to use at public speaking events in order to promote the ITC. Ms. Rivers asked that the Committee members to review the PowerPoint presentation, the website/calendar, and all other promotional materials and make the necessary changes.

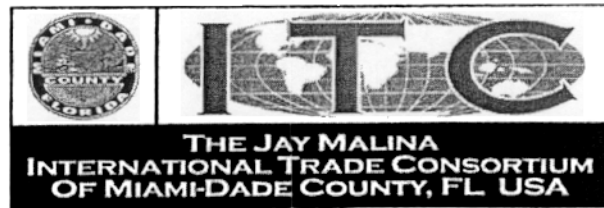
The Committee members noted that they would like to do the following

- Target the PowerPoint presentation at elected officials, chambers and local trade organizations
  - Modify PowerPoint presentation for ITC Board Members
- Make ITC website more user friendly
- Educate targeted organizations on kinds of services the ITC provides
- Explain procedure and guidelines for outgoing/incoming missions
- E-mail to Committee Members the PowerPoint presentation for review
- Have both the Speakers' Bureau and Marketing Committee meet at the same time
- Use the Miami-Dade Sister Cities Program to promote the ITC

Ms. Karen-Hunter Jackson, Chair of the Committee on Marketing, Website and Calendar and Ms. Sandrell Rivers, Chair of the Speakers' Bureau Committee agreed to have both their Committees meet simultaneously before the ITC Board meeting of December 17, 2003.

There being no further business the meeting was adjourned at 11:30 AM

**ATTACHMENT IV**



**Committee on Strategic Planning  
November 7, 2003  
Report to the ITC**

**Present:** Ms. Jacqueline Del Criso Minges (Chair), Ms. Jana Sigars-Malina, Mr. Lee Sandler, Mr. Dwayne Wynn, Mr. Walter Loy

The meeting was called to order at 9:02 a.m.

The Committee met to discuss the formulation of a strategic plan for the ITC

One issue that was raised was how the ITC could grow with limited funds. Even though the Hong Kong Trade Development Council (HKTDC) was thought to be a good model for the ITC to pattern itself after, it was improbable for the ITC to do so since the HKTDC grew in large part due to a trade tax that was levied specifically to fund that organization's growth.

After further discussion the Committee, as a group, agreed to formulate a strategic plan through a two-part approach:

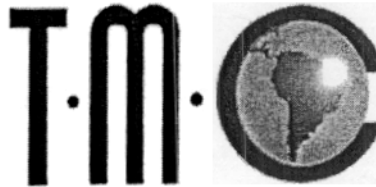
- Community-wide strategies - Use the One Community One Goal (OCOG) objectives as a platform to evaluate a community-wide agenda and the ITC strategic plan. Look back at the OCOG objectives and assess which are still valid for the Miami-Dade County community today. If any objectives are still valid, determine if they are being implemented effectively and recommend which ones the ITC should aggressively pursue.
- Examine the existing programs of the ITC and those which the Committee recommends that it should be doing, and formulate specific strategies to support these activities over the next one to five years.

In addition, the following thoughts were expressed by individual Board members:

- A SWOT analysis should be performed by assessing the ITC's Strengths, Weaknesses, Opportunities, and Threats
- It is important to have the ITC function as an information center.
- In order to increase the ITC's funds, possibly hire a grant-writer and have a Gala Dinner as a fundraiser.
- Give priority to updating and maintaining the ITC Website, Database, and Calendar
- Produce an annual economic impact report by the Chair of the ITC which would define the scope of international trade in goods in this community, measure its impact and contribution to the economy, and show year-to-year comparison in growth.
- Look into whether the ITC Website can receive corporate sponsorship
- Run the ITC more like a business

The meeting was adjourned at 10:35 a.m.

ATTACHMENT V



**MEMORANDUM**  
**TRADE MISSION CENTER OF THE AMERICAS, INC.**

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TO: TMC Board of Directors  
*J. A. Ojeda Jr.*  
FROM: J.A. Ojeda Jr.  
Executive Director

DATE: December 17, 2003

SUBJECT: RFP For Economic  
Impact Study

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At the TMC Board of Directors Meeting of June 26, 2003, the Board voted to set aside funds for the performing of an economic impact study, and it directed staff to issue a Request for Proposal (RFP) for the Study.

Staff issued an RFP which was printed in the Business Monday Section of the Miami Herald on December 1, 2003 (see attached). Specifically, the solicitation sought a study, utilizing professionally acceptable methodology, to qualify the impact of international trade activity on key measures, such as jobs supported (direct, indirect and induced), business revenues, and fiscal impacts. The RFP asked interested parties to submit their proposal no later than December 15, 2003.

One firm, The Washington Economics Group, responded to the RFP and submitted a proposal within the deadline.

Since there was only one respondent, I am requesting that a Negotiating Committee meet with the respondent to negotiate amenable terms. In addition, I am requesting the Board's authority to enter into a contract with The Washington Economics Group should the negotiations be concluded. If on the other hand, we are unable to develop a satisfactory agreement, then we will again issue an RFP.

Enclosure

JAO/jn

## BANKRUPTCIES

### Definitions

**Chapter 7:** Debtor sells assets in return for discharge of debts.

**Chapter 11:** Debtor company reorganizes under court supervision.

**Chapter 13:** Debtor arranges plan to repay debt.

**Involuntary bankruptcy:** Three or more unsecured creditors owed

\$5,000 or more have petitioned the court to force the company into bankruptcy. The petitions are sometimes withdrawn by the creditors or dismissed by the court.

### Companies

These are recent bankruptcies filed in U.S. Bankruptcy Court for the Southern District of Florida, plus attorney

Acco  
Pl., F  
ert J  
Melv  
Perm  
Gil, 3

**T-M**   
REQUEST FOR PROPOSAL

The Trade Mission Center of the Americas, Inc. (TMC), a non profit entity of the Jay Malina International Trade Consortium of Miami-Dade County is soliciting proposals from qualified entities to undertake an economic impact study of the effect of international trade on Miami-Dade County's economy. In particular, the TMC is seeking a study, utilizing professionally acceptable methodology, to qualify the impact of international trade activity on key measures, such as jobs supported (direct, indirect and induced), business revenues and fiscal impacts. Interested parties should submit a statement of their qualifications in a form provided by TMC staff outlining their precise proposal with a statement of how the study would be conducted and a budget no later than December 15, 2003. A committee of board members will evaluate the proposals based on qualifications, the nature of the proposal, and the cost to conduct the study. Proposals should be submitted to Mr. J.A. Ojeda, Jr. at the Trade Mission Center of the Americas, 111 N.W. 1<sup>st</sup> St., Suite 2560, Miami, Florida 33128. Please call for information at (305) 375-1254.



**COOPER-HOROWITZ, inc.**  
**OF FLORIDA**

REAL ESTATE FINANCING



**THE JAY MALINA  
INTERNATIONAL TRADE CONSORTIUM  
Orientation Meeting for New Board Members  
Meeting Minutes  
Tuesday, December 9, 2003**

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**Members Present:**

Jill Klaskin-Press	Miguel A. Amion	Rafael Diaz-Balart
Wilfredo (Willy) Gort	Sang Whang	Alex Gonzalez
J. David Pena	Francisco J. Gonzalez	Jose Luis Castillo
Jacqueline Del Cristo-Minges	Chief Sandrell Rivers	

**Members Absent:**

Herman Echevarria	Janá Sigars-Malina	Pete Pizarro
Joe Perez Jones	Norman B. Athill	

**Guests Present:**

Fred Berens	Robert Meyers	Gerald Sanchez
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**ITC Staff Present:**

J.A. "Tony" Ojeda, Jr.	Jimmy Nares	Clarence Bird, Jr.
Desmond Alufohai	Jeannette Dominguez	

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The Executive Director of the International Trade Consortium, Mr. J.A. "Tony" Ojeda, Jr., called the meeting to order at 2:10 PM. He began by welcoming all the newly appointed Board members and asked them along with staff to introduce themselves.

Mr. Ojeda introduced Mr. Gerald Sanchez of the County Attorney's Office to speak on the Sunshine Law and the Public Records Law. Mr. Sanchez began by explaining the Sunshine Law which is found on Chapter 286 of the Florida Statute. He explained that the Sunshine Law has three major components: **1)** All Board meetings must be open to the public; **2)** All meetings must have adequate notice; And, **3)** whenever a meeting takes place there must be minutes taken. He noted that the following instances would be considered Sunshine meetings: two board members getting together to discuss issues that could eventually come up before the ITC Board, any e-mail discussions, any correspondence, and any communication over the telephone. He noted that the Sunshine Law is a pretty strict law and that it has been construed narrowly by the courts in favor of having open meetings and it carries with it criminal penalties. He proceeded to explain about the Public Records Law and stated that any documents **already written** such as letters, e-mails, and notes that is produced by any Board member related to their official duties on the Board would be considered a public record, meaning that anyone from a newspaper, television station,

or any public citizen can make a records request. He noted that as soon as a request was made it was each Board members responsibility to comply with it within a reasonable period of time.

Mr. Ojeda proceeded to introduce Mr. Robert Meyers, Executive Director of the Miami-Dade County Commission on Ethics and Public Trust. Mr. Meyers began by passing out a brochure summarizing Section 2-11.1 of the code of Metropolitan Dade County, The County's Conflict of Interest and Code of Ethics ordinance. He stated that the ITC Board of Directors is a public board therefore bound to the Code of Ethics Ordinance just as all advisory boards are. He noted that the State Attorney's office has concurrent jurisdiction over the ordinance which means that all of the ITC Board members are subjected to criminal penalties if the ordinance is violated, especially if it's willful.

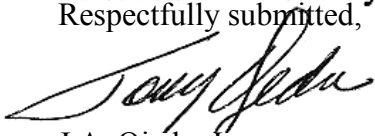
Mr. Meyers proceeded to highlight the four (4) provisions on the ordinance that applies to the ITC Board of Directors: **1) Financial Disclosure:** All Board members must annually submit a Financial Disclosure Form; the form has to be filed by July 1<sup>st</sup> of each year following the Board members service. He explained if the individual is new to the Board and has never served on a County Board or has never filed a Financial Disclosure Form that member has to file the form within thirty (30) days of his/her appointment. **2) Voting Conflicts:** If an item comes before the ITC Board involving a company or an organization in which a Board member has a special interest or a business relationship with that party, then that member is not allowed to vote on the issue, but is allowed to participate on the discussions relating to that issue. **3) Disclosure of Gifts:** The transfer of anything of \$25.00 or more in value, whether in the form of money, service, loan, travel, entertainment, hospitality, item or promise or in any other form, without adequate and lawful consideration. **4) Conflict of Interest:** If a member of the Board owns/works with a company that wants to do business with the County, Mr. Meyers recommended for that individual to contact the Ethics Commission for an advisory opinion before proceeding.

Mr. Ojeda proceeded to the next item on the agenda the Jay Malina International Trade Consortium of Miami-Dade County (ITC) role and mission. He explained that the ITC formerly known as the Trade Mission Center of the Americas, Inc. (TMC) is the County's agency charged with the development of two-way merchandise trade (products and commodities) through the Port of Miami and Miami International Airport, and is charged to promote Miami-Dade County as the two way trade destination center to the world through the various programs endorsed by the Board of Directors (*organizing and funding incoming/outgoing trade missions; organizing missions to North American Cities through the Trader/Maker Program; The Caribbean Trade Initiative (CTI) Program; Trade Numbers Magazine; interactive database*). Mr. Ojeda described the agency as an umbrella organization, acting as a one stop clearing house for trade development efforts within the County, having a Board of Directors headed by County Commissioner Jose "Pepe" Diaz and composed of representatives of all trade related economic development organizations located within the boundaries of Miami-Dade County including the Office of the Mayor and the Board of County Commissioners. Mr. Ojeda noted that the ITC has eight (8) standing committees: Fundraising, Strategic Planning, Speaker's Bureau, Advocacy, Trade Missions, In-Trade, Marketing/Website, and the Economic Impact Study. He encouraged all the new members to feel free to join any one of them.

Mr. Ojeda introduced Mr. Jimmy Nares, Chief of Finance and Administration to give an overview of the ITC's budget. Mr. Nares noted the total budget for fiscal year '03-'04 is \$837,000, and explained that \$615, 000 was allocated for personnel, \$217,000 was allocated for operating, and \$5,000 being allocated for capital. (See Attachment I)

There being no further business the meeting was adjourned at 3:40 PM.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "J.A. Ojeda, Jr.", written in dark ink.

J.A. Ojeda, Jr.  
Executive Director

Cc: Miami-Dade County Board of County Commissioners  
George M. Burgess, County Manager

JAO:cb



## ATTACHMENT I

\* Personnel now also includes a \$35,000 allocation for the CTI which the Board of County Commission approved to be performed in-house by the ITC.

### **III. CHAIRMAN'S REPORT**

- A. Ratification of the appointment of Mr. Manny Gonzalez as the new ITC Executive Director
- B. Ratification of ITC Chair appointment to the Board – Mr. Gene Prescott
- C. Reporting on April 16, 2004 meeting to discuss “issues related to trade”, including possibility of conducting “industry day”
- D. Update on ITC requests for State/ Federal funding



## MEMORANDUM OFFICE OF THE MAYOR

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To: The Honorable José "Pepe" Diaz, Chairman  
and Members, Jay Malina International  
Trade Consortium

Date: April 27, 2004

From: Alex Penelas, Mayor

Subject: Appointment of Executive Director

---

I am pleased to announce the appointment of Mr. Manuel J. Gonzalez as Executive Director of the Jay Malina International Trade Consortium (ITC) effective May 1<sup>st</sup>, 2004. This appointment provides a succession plan for the retirement of Mr. Tony Ojeda who has been serving in this capacity since the ITC's inception.

Miami-Dade County is fortunate to have been served by thirty years of professionalism and vision that Tony brought to the job. His numerous achievements include the first Hispanic Outreach Program in the County, advances in labor relations and employee benefits, significant developments of art and culture programs, and spearheading many conferences and special events in our community. I am most appreciative to Tony for assisting the newly created Office of the Executive Mayor in the 1996 transition period. Tony also worked as a Senior Advisor and served our office with excellence. It was in this capacity that he helped guide us in the area of international trade and commerce. I want to thank Tony for his friendship and support over the years and wish him the best in his new endeavors.

I am confident that Mr. Gonzalez will continue offering the outstanding leadership that Tony provided with the hard work of the ITC staff. He is extremely energetic and qualified to assume this position. His education and professional experience have provided him a strong background in the area of international trade and commerce. Aside from management-level positions in the private sector related to international finance and marketing, he has served as Chief Operating Officer of the City of Miami International Trade Board and as International Trade Coordinator for the Miami-Dade's Office of Protocol International Trade and Commerce within the Office of the Mayor. In this capacity as International Trade Coordinator, he was instrumental in the creation and implementation of the Mayor's International Trade Council, Mayor's African Trade Task Force and Americas Trade Mission Center, programs now integrated into the ITC.

Most recently, he served as Assistant Director of Operations for the Free Trade Area of the Americas Ministerial and Americas Business Forum, assuming responsibility for conference logistics and technology for these simultaneous events. In addition, Mr. Gonzalez was a key contributor in the development and execution of outreach efforts for the People Transportation Plan, serving as liaison for the Mayor's Office to local government and private organizations. He is a graduate of George Washington University where he received a B.A. in International Affairs in 1986.

The appointment of Mr. Gonzalez as Executive Director of the ITC ensures a successful and effective transition given his background and experience.

Please join me in congratulating him in this appointment.

Attachment

cc: Honorable Chairperson Barbara Carey-Shuler  
and Members, Board of County Commissioners  
Harvey Ruvin, Clerk of Courts

Robert Ginsburg, County Attorney  
George Burgess, County Manager

#### **IV. STANDING COMMITTEE REPORTS**




## MEMORANDUM

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**TO:** ITC Board of Directors

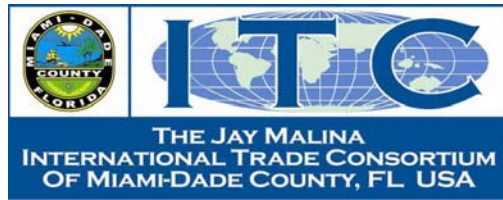
**DATE:** April 29, 2004

**FROM:**  for:  
Jacqueline Del Cristo Minges, Chair  
ITC Committee on Strategic Planning

**SUBJECT:** Standing Committee  
Report

---

Attached is a report of the meeting of the Committee on Strategic Planning, which took place on December 15, 2003.



**Committee on Strategic Planning  
December 15, 2003  
Report to the ITC**

**Present:** Ms. Jacqueline Del Cristo Minges (Chair), Mr. Francisco J. Gonzalez, Mr. Burton Landy, Mr. Walter Loy, Mr. Lee Sandler, **Staff:** Mr. Jimmy Nares

The meeting was called to order at 9:05 a.m.

The committee discussed three main topics: 1) Measuring the impact of trade on Miami-Dade County; 2) Scope of the ITC's mission; and 3) Prioritization of ITC strategic activities.

First, Mr. Gonzalez expressed that it was important for the ITC to quantify its successes and to come up with ways of measuring the impact of trade on Miami-Dade County. Mr. Sandler suggested that the TMC's Economic Impact Study might be shaped to partly help to address this issue in the near future.

Next, the scope of the ITC's mission was discussed. Mr. Landy suggested that in comparison to the TMC's mission from a couple of years ago, the ITC's mission was perhaps becoming too broad. He questioned whether the ITC's services were overlapping with other organization and whether it was becoming competitive. Mr. Gonzalez recommended, and the committee agreed, that the ITC should take an inventory of the resources of member organizations to better understand the similarities and differences of what the various organizations have to offer. He also recommended listing these resources, and linking the member organizations' resources on the ITC website. Mr. Sandler commented that the ITC's role remains unique in that no other organization brings together so many other local international business groups and it is the only public-private partnership focused on merchandise trade. He also noted that any inventory must realistically address what organizations are currently doing, as opposed to goals which are merely included in their charters or ambitions. In order to gather this information, Mr. Loy recommended circulating a checklist to all organizations so they could list the services they provide and the resources they have at their disposal. The committee also agreed that the ITC Mission Statement should be revisited.

Finally, the committee began to prioritize specific strategic activities for the ITC. Concurrent with the ITC's strategy of serving as an information center, the committee agreed that the creation of a functional ITC Website and Calendar of Events, and expanded use of the Database should be top priorities for the ITC.

**Website:** The committee inquired about the status of the website and about any restrictions of operating the website through the County. Additionally, the committee asked if the ITC could maintain a website independent of the County and whether it could receive corporate sponsorship.

**Calendar:** The committee recommended that the calendar embrace all local international programs, not just those sponsored by the ITC. It was recognized that this might require revision of the existing calendar program to make it more easily accessed by other organizations. Lee Sandler had suggested that staff review the [www.worldtradeweek.com](http://www.worldtradeweek.com) website as a possible model.

**Database:** The committee also recommended that a strategy be formulated to build on the ITC Database, if it was producing results. The committee asked that a report on the track record of the database be presented at the next meeting. Thereafter, consideration should be given to updating the database, and establishing terms to make it available for use by incoming trade missions.

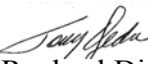
The meeting was adjourned at 10:15 a.m.



## MEMORANDUM

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**TO:** ITC Board of Directors                      **DATE:** April 29, 2004

**FROM:**  for:  
Raphael Diaz Balart, Chair  
ITC In-Trade Committee                      **SUBJECT:** Standing Committee  
Report

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Attached is a report of the meeting of the In-Trade Committee, which took place on March 31, 2004.



**In-Trade Committee  
Wednesday, March 31, 2004  
Report to the ITC**

---

**Attendees:**

**Board Members**

Raphael Diaz Balart, Committee Chair  
Jackie Del Cristo Minges

**Trade Officers**

John Wright (British Consulate)  
Nancy Cely (Ecuador Trade Center)  
Fernando Albareda (Consulate of Peru)

**Staff**

Tony Ojeda, Jr.  
Cornelius Herelle  
Jimmy Nares

The meeting was called to order by the Chair at 4:15 p.m.

Since there was no quorum, meeting attendees held general discussions without voting on any item.

**Meeting Highlights**

The Chair, asked staff to get a list of issues from trade commissioners so ITC can begin to address those issues to hopefully resolve them soon.

It was said that Miami-Dade County needs a Trade Center like the one Orlando as more convention space is needed. This would allow for larger trade shows, and other events aimed at the business community. This is needed to attract promoters and trade associations. Miami-Dade County is in need of some good IT and Telecommunication shows as this industry continues to grow.

Seminars should be held on organizing trade shows and how to attract more shows to Miami-Dade County.

Some of the recommended possible Trade Shows include:

- IT (including telecommunications)
- Logistics
- Services
- Apparel (textiles)
- Financial Services
- Food and Beverage (Strengthen the World Trade Center Miami's Show).

It was also recommended that more community support be given to The World Trade Center Miami, and CAMACOL in their shows and major events, to help bring more buyers to these shows thereby making the shows more attractive.

Staff clarified the provisions of the database pilot program to the Trade Commissioners. Staff noted that the Agreement with Indigo Key stipulates that three Trade Offices would be given access to the database for four (4) months (120 days) at no cost. At the end of the trial period there would be an evaluation to measure the effectiveness/usefulness of the database for the Trade Offices. Should the Trade Offices or other organizations wish to have access to the database after the conclusion of the pilot program, they would have to pay a membership subscription fee that would be determined at a later date.

Meeting was adjourned at 5:05 p.m.



**HON. JOSE "PEPE" DIAZ**  
**MIAMI-DADE COUNTY COMMISSIONER**  
**ITC CHAIR**

October 31, 2003

Mr. Rob Gilmore, CEO  
Indigo Key  
12641 N. Stonebrook Circle  
Davie, FL 33330

Dear Mr. Gilmore:

Over a year ago the Trade Mission Center of the Americas, Inc. (now the ITC) contracted with Indigo Key for \$35,000 for the creation of a customized trade-related database.

As you are aware, through our recent correspondence, the ITC, which is now a department of Miami-Dade County, is interested in having this database updated.

In response to your original proposal to update the database, which was dated October 24, 2003, we propose the following:

We will agree to extend the Indigo Key contract for a term of one year at a fixed price amount of \$15,000. Contingent upon the success of the pilot program which is outlined below, Indigo Key would then receive an additional \$5,000 from the proceeds of membership subscription fees. Thereafter, there will be a revenue-sharing agreement which will be determined at a later date.

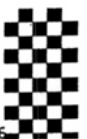
Indigo Key will conduct a 120-day pilot program with the trade offices of Peru, Canada, and Brazil.

Under this program Indigo Key will work with these trade offices and will allow them access to the ITC database. At the same time, the trade offices of Peru, Canada, and Brazil will input their respective database into the ITC database.

The ITC and the above referenced trade offices will review the operation of the data and determine at the end of the 120-day period whether the system worked to their satisfaction by successfully contacting registered import and export agencies, and by the ability to successfully establish matchmaking opportunities from the database.

At the conclusion of the 120-day trial period, ITC staff will determine whether the pilot program should be extended to the local consulates, other trade offices, and interested parties at a membership subscription fee to be determined at a later date with a revenue

**J.A. "TONY" OJEDA, JR.**  
Executive Director  
**STEPHEN P. CLARK CENTER**  
111 N.W. 1<sup>st</sup> STREET, SUITE 2560 MIAMI, FLORIDA 33128  
Telephone (305) 375-5808 Fax (305) 679-7895



sharing program for ITC and Indigo Key. Special consideration will be given to the trade offices of Peru, Canada, and Brazil for their participation in the pilot program.

- Indigo Key agrees that in 2004 it will extend the Miami-Dade database from the 13,000 companies to approximately 20,000 companies with the ability to transmit fax and e-mail notices with at least 75% accuracy. It is understood that Indigo Key will continue to update the directory including adding, removing or modifying its company data. The actual number of companies in the database may decrease (as companies are removed) or grow as new data is incorporated.
- Indigo Key will service up to four (4) ITC staff users, including assigning user log-ons and providing technical support. ITC will select a person to be contact liaison to coordinate training and system improvements.
- Indigo Key will provide confirmation that ITC fax and email notices have been transmitted. While it guarantees to ITC that messages were transmitted, it cannot report on which companies opted to read, or to not read information they received.
- To maximize responses on ITC outreach, Indigo Key will provide technical support to ITC as requested in drafting marketing and outreach documents.
- Indigo Key will not provide the data from 2,000 companies, which specifically responded to a marketing survey conducted in 2002 by Indigo Key for the ITC, to other companies or agencies without the first prior approval of the ITC. The data otherwise collected by Indigo Key is being made available to the ITC under the terms of this agreement.

While this does not serve as an official contract, please accept this letter as a gesture of the ITC's interest to have Indigo Key carry out the database update.

Should you agree to the above terms in principle, we will take the necessary measures to have the County enter into a formal agreement with Indigo Key.

Regards,

J.A. Ojeda, Jr.  
Executive Director  
International Trade Consortium of Miami-Dade County

Accepted by

President Indigo Key, Inc


Date



## MEMORANDUM

---

**TO:** ITC Board of Directors                      **DATE:** April 29, 2003

**FROM:**  for:  
Rick Zellman, Chair                      **SUBJECT:** Standing Committee  
ITC Committee on Advocacy                      Report

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Attached is a report of the meeting of the Committee on Advocacy, which took place on April 7, 2004.



**Committee on Advocacy  
Wednesday, April 7, 2004  
Report to the ITC**

**Committee's Mission:**

“To advocate and serve as a clearinghouse for trade issues important to the ITC constituency.”

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**Attendees:** Rick Zelman, (Chair), Fernando Melo, Marlon Hill, Lee Sandler, Clarence Bird, Jr. (ITC Staff).

The meeting was called to order by the Chair at 8:25 a.m.

Next, the Chair asked for a motion to approve the Minutes of the last Committee meeting. A motion was made by Mr. Hill and then seconded by Mr. Melo. The minutes of the November 12, 2003 Committee meeting were approved, unanimously.

**Meeting Highlights**

Continuing working parameters for the Advocacy committee were discussed. It was therefore resolved that the Advocacy Committee of the ITC should:

- Advocate on important trade issues that has economic impact on our communities: Staff should therefore send a letter to the ITC board requesting for issues, such as the new FDA proposed regulation for registering food facilities – Public Health Security and Bio-terrorism Preparedness & Response Act of 2002 that may economically impact their respective constituencies. **–No Response from the Board** -- Mr. Zelman agreed to address the above issue at the next Board meeting, April 28, 2004.
- Educate the ITC constituencies and general public on major issues of trade and commerce that may be important to South Florida: Re-send the ITC Advocacy Guideline form to ITC board members and post same on the ITC website. **–No Response from the Board** -- Mr. Zelman agreed to address the above issue at the next Board meeting, April 28, 2004.
- Mr. Zelman made a motion to host various sets of sunshine forums with organizations/entities related to trade to be able to identify different issues that the Committee can address on behalf of the international trade community. And, it was also agreed that the forum would be limited to three organizations at a time. The motion was seconded by Mr. Melo. The motion was passed unanimously. The following entities were suggested for Staff to contact to set up the first Forum:
  - FIBA
  - The Greater Miami Chamber of Commerce
  - Miami International Airport
  - The World Trade Center Miami
  - CAMACOL

**Next Committee Meeting (Forum)**

**Date:** 2<sup>nd</sup> Week in May at 5:00 PM

**Venue:** Rick Zelman's Office.

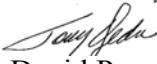
Meeting was adjourned at 9:25 a.m.



## MEMORANDUM

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**TO:** ITC Board of Directors                      **DATE:** April 29, 2003

**FROM:**  for:  
David Pena, Chair                      **SUBJECT:** Standing Committee  
ITC Committee on Trade Missions                      Reports

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Attached are a report of the meeting of the Committee on Advocacy, which took place on December 18, 2003 and a report of the meeting of the Committee on Advocacy, which took place on April 19, 2004.



**Trade Missions Committee**  
**Thursday, December 18, 2003**  
**Report to the ITC**

---

**Attendees:**

**Board Members**

David Peña, Committee Chair  
Jackie Del Cristo Minges  
Chief Sandrell Rivers  
Sandra Hunter-Jackson  
Alexander Reus  
Fred Berens

**Staff**

Tony Ojeda, Jr.  
Cornelius Herelle

The meeting was called to order by the Chair at 9:10 a.m.

The main purpose of the meeting was to review the Incoming Missions Form.

**Meeting Highlights**

- The Executive Director explained the meaning and format of the incoming missions form, and pointed out some of the form's comings.
- Members went through the form and made changes including changes to reflect the intangible values that the ITC contribute to missions, for example, the use of the database, staff resources, access to public officials etc. In addition there is currently a \$1,500.00 sponsorship for qualified incoming missions.
- Members discussed the Trader Maker Program which the ITC currently contracts the World Trade Center Miami to do. Questions were asked as to whether or not the ITC should instead use this money to fund missions as this may be more useful in helping to promote Miami, more in keeping with the mandate of the ITC.

ITC staff was asked to make the necessary changes to the Mission Application.

Meeting was adjourned at 10:05 a.m.



**Committee on Trade Missions  
April 19, 2004  
Report to the ITC**

**Present:** Mr. David Pena (Chair), Mr. William Alexander, Mr. Fred Berens, **Staff:** Mr. Jimmy Nares

The meeting was called to order at 4:50 PM.

The committee met to review various organizations' requests for certification that were recently submitted under the ITC's Third-Party Missions Program.

Staff briefed the Committee members on the following four (4) third-party outgoing missions and one (1) third-party incoming mission that recently applied for ITC certification:

**Outgoing Missions**

<u>Applying Entity</u>	<u>Mission Destination</u>	<u>Date</u>
Greater Miami Chamber of Commerce	Brazil	May 17-19, 2004
Diaspora Arts Coalition	Nigeria	August 14-27, 2004
Dominican International Chamber of Commerce	Dominican Republic	September 15-19, 2004
Ghana-American Chamber of Commerce	Ghana	February 27-March 6, 2004

**Incoming Missions**

<u>Applying Entity</u>	<u>Mission Source</u>	<u>Date</u>
Greater Miami Chamber of Commerce	Canary Islands	April 18-20, 2004

Staff advised the Committee that the ITC's budget included \$7,500 for the funding of third-party outgoing missions and \$10,000 for the funding of third-party incoming missions for the 03'-04' fiscal year, none of which had been used to date.

Staff also advised the Committee that under the Third-Party Missions Program, outgoing missions could be funded **up to** \$2,500 per mission and incoming missions could be funded **up to** \$1,500 per mission.

The Committee first denied certification to the Ghana-America Chamber of Commerce's mission to Ghana for two reasons. Firstly, the application for certification was submitted to the ITC on March 15, 2004, **after** the mission took place. According to the ITC application, grantees must submit their application prior to undertaking a mission in order to be eligible for funding. Secondly, the Chamber did not use the ITC logo and did not indicate their mission was sponsored by the ITC and Miami-Dade County, another requirement for funding.

With respect to the certification of the other missions, Mr. Berens made a motion to approve, and to subsequently present to the full Board for ratification, the certification of the missions of the Miami Dade Chamber of Commerce, the Diaspora Arts Coalition, and the Dominican International Chamber of Commerce, and to fund each of these three missions \$2,000 (This would allow \$1,500 to remain in the budget to fund an additional outgoing mission for the remainder of the fiscal year). The motion also included a recommendation to certify the Miami Dade Chamber of Commerce's incoming mission at a funding level of \$1,500.

The motion was seconded by Mr. Alexander, and unanimously passed.

Finally, Mr. Alexander suggested that the ITC and the Greater Miami Chamber of Commerce work more closely together under the Chamber's Americas Linkages Program.

The meeting was adjourned at 5:15 PM.

## **V. EXECUTIVE DIRECTOR'S REPORT**

- A. Ratification of Trade Missions Committee's Certification of third-party missions
- B. Proposed ITC Budget for 04'-05' fiscal year
- C. End of Mission Report – Mission to the Orient, March 2004
- D. Reporting on Status of Missions – Sweden, Japan, Madagascar, Trinidad & Barbados
- E. Status of hiring of marketing staff member
- F. Status of Sister Cities current projects



## MEMORANDUM

**TO:** ITC Board of Directors

**DATE:** April 29, 2004

**FROM:** Jimmy Nares  
Chief of Finance & Administration

**SUBJECT:** Ratification of Trade Missions  
Committee's Certification of Third-Party  
Missions

I am pleased to announce that the three outgoing missions and one incoming mission have been recommended for certification by the Committee on Trade Missions at their meeting on April 19, 2004. Staff recommends that the ITC Board ratify the Committee on Trade Missions' certification of the forgoing missions.

Missions recommended for Certification by the Committee on Trade Missions:

**Outgoing Missions (\$2,000 each)**

Applying Entity

Greater Miami Chamber of Commerce  
Diaspora Arts Coalition  
Dominican International Chamber of Commerce

Mission Destination

Brazil  
Nigeria  
Dominican Republic

**Incoming Mission (\$1,500)**

Applying Entity

Greater Miami Chamber of Commerce

Mission Source

Canary Islands

The GMCC's mission to Brazil will be conducted under the Americas Linkage Program, May 17-19, 2004. This program seeks to facilitate business ties between Florida, Latin America and the Caribbean through a series of trade missions. The primary sectors that will be focused on include healthcare, information technology, professional services, and real estate. Brazil is Miami's largest trading partner with \$7.6 billion in trade in 2002.

The Diaspora Arts Coalition (DAC) will be conducting a "new markets" mission to Lagos, Badagry, and Abeokuta, in Nigeria and to Cotonou and Ouidah in the Republic of Benin, August 14-27, 2004. In addition to strengthening cultural ties through art, the mission will also include a business component with 9 participating Miami-Dade County businesses. Lagos, Nigeria presently has a Sister Port agreement with the Port of Miami.

The Dominican International Chamber of Commerce will be conducting its mission to Santo Domingo, September 15-19, 2004. The Dominican Republic is Miami's 2<sup>nd</sup> largest trading partner with \$4.17 billion in trade in 2002. Scheduled activities include business matchmaking, meeting with the Minister the Department of Commerce, with the Customs General Director, and other commerce organizations. This mission will also be conducted jointly with Sister Cities Miami-Dade which has a Sister Cities agreement with Santo Domingo.

The GMCC also hosted an incoming mission from the Canary Islands, April 18-20, 2004. The mission which included the President of the Government of the Canary Islands also included a delegation of over 20 Canary Islands business leaders who were interested in exploring business opportunities with Miami. Key sponsors of this mission included the Beacon Council, the US-Spain Chamber of Commerce, Madrid Chamber of Commerce and Sister Cities.

**PERFORMANCE BASED BUDGETING: CHART I**  
**FY 2004-05 MAJOR PROGRAMS/INITIATIVES AND BUDGET HIGHLIGHTS**

Department: INTERNATIONAL TRADE CONSORTIUM (021)

(#'s in Thousands)

			FY 2004-05 Funding Impacts			
Priority by Funding Source	Related Outcome(s)	Program/Initiative or Budget Highlight	Description and Performance/Service Impact (from ___ units to ___ units)	Countywide	UMSA	Other
1	ED 1-8	OUTREACH/ PUBLIC REPORTING *	a) Develop functional Website and Calendar of Events and perform 12 monthly updates (from 0 to 12); b) Place 5 advertisements promoting ITC and MDC (from 5 to 5); c) Publish 1 annual trade statistical guide ("Trade Numbers") (from 1 to 1); d) Sponsor/ Participate in 3 trade events (from 3 to 3); e) Develop 1 trade Workshop/ Seminar (from 0 to 1); f) Sponsor 1 trade-related Workshop/ Seminar (from 0 to 1); g) Publish 1 Annual Report (from 1 to 1); h) Publish 12 Newsletters (from 0 to 12); i) Maintain 1 Database (from 1 to 1) j) Staff 6 ITC Board of Directors' Meetings (from 6 to 6); k) Staff 10 Committee meetings (from 10 to 10); l) Conduct 1 ITC Board Strategic Goal Session (from 1 to 1); m) Support 1 Inter-American Conference of Mayors (from 1 to 1); n) Staff 10 Mayor's African Trade Task Force Board Meetings (from 10 to 10)			+428
2	ED 1-4	MISSIONS	a) Support/ Fund 5 incoming missions (from 5 to 5); b) Conduct 3 Airport Route Development missions with MIA (from 3 to 3); c) Conduct 5 Airport Briefings (from 5 to 5); d) Conduct 1 mission to other North American City (from 1 to 1); e) Support/ Fund 2 3rd-party outgoing missions (from 3 to 2); f) Conduct 2 ITC-led outgoing missions to other Countries (from 3 to 2)	+35		+302
3	ED 1-6	SISTER CITIES/ SUPPORT	Undertake 1 mission to Sister City Community (from 1 to 1); Participate in 1 Conference (from 1 to 1); Award 6 Scholarships (from 6 to 6); Develop 2 new Sister Cities Relationships (from 2 to 2); Conduct 1 Art Exhibit (from 1 to 1); Staff 6 Sister Cities Coordinating Council and Committee Meetings (from 6 to 6)			+171
<b>BASE BUDGET SUBMISSION **:</b>				<b>+35</b>	<b>+0</b>	<b>+901</b>
				<b>8.13</b>		

4	ED 1-4 and 1-8	OUTREACH/ PUBLIC REPORTING	Hire a staff person in Singapore to act as a trade representative of the ITC and of Miami-Dade County.	+16		
5	ED 1-4 and 1-8	OUTREACH/ PUBLIC REPORTING	Hire an additional part time staff member to to conduct additional outgoing mission and to receive additional incoming mission (priority #2)	+28		
6	ED 1-8	OUTREACH/ PUBLIC REPORTING	Increase number of ads placed to promote the ITC and MDC from 5 to 10, to increase Outreach (#1 Priority)	+15		+0
7	ED 1-4 and 1-8	OUTREACH/ PUBLIC REPORTING	Perform 1 Economic Impact Study update (Through Consultant).	+50		+0
8	ED 1-4 and 1-8	RESEARCH	Identify trade opportunities and to gather statistical data on trade (Through Consultant)	+50		+0
9	ED 1-4 and 1-8	OUTREACH/ PUBLIC REPORTING ***	Become the "Umbrella organization for international trade" and a "one-stop-shop" for two-way trade. (See Note below)	+500		+5
<b>PROPOSED ADDITIONS TO BASE BUDGET SUBMISSION:</b>				<b>+659</b>	<b>+0</b>	<b>+0</b>
				<b>6</b>		

Note \*: Outreach now also includes the hiring of one additional part-time employee at a cost of \$22,000/ year to support the department's outreach activities (#1 priority).

## PERFORMANCE BASED BUDGETING: CHART I

(#'s in Thousands)

FY 2004-05 Funding Impacts

Note \*\*\*: Priority #9 Represents the ITC Board of Directors' wish to become the "Umbrella organization for international trade" or the "one-stop-shop" for two-way trade. Achieved as follows:

- library of information

Office Space Lease (approx. 1,600 sq. feet at \$35/ sq ft annually

Office Equipment/ Computers/ Phones  
 Hard copy materials (brochures/ statistical information)/ CD roms - for year  
 1 Director/ Office Manager for Incubator office (w/ benefits)  
 2 Support Staff for Incubator office (w/benefits)  
 1 full-time employee for contracting and monitoring of County trade-related  
 1 full-time employee to conduct research for International Trade

Total: \$500

PERFORMANCE BASED BUDGETING: CHART II  
GENERAL DEPARTMENTAL SUMMARY

Department: International Trade Consortium (021)  
Fund: \_\_\_\_\_

(all dollars in thousands)

FY 2001-02	FY 2002-03	FY 2003-04	FY 2003-04	FY 2003-04	FY 2004-05	FY 2004-05
Actual	Actual	Budget	Projection	Base Budget Submission	Adjusted Budget Submission	

A) OPERATING BUDGET - REVENUES AND EXPENDITURES

REVENUE BY MAJOR CATEGORY

Carryover	67	67		70	0	1
County Wide General Fund Revenue		231			0	657
County Wide General Fund (CTI)	100	38	35	35	35	35
Interagency Trf. - Airport	375	350	350	350	350	350
Interagency Trf. - Seaport	260	295	295	295	295	295
Interagency Trf. - OCED			157	157	157	157
<b>TOTAL REVENUE</b>	<b>802</b>	<b>981</b>	<b>837</b>	<b>907</b>	<b>837</b>	<b>1,495</b>

EXPENDITURES BY MAJOR CATEGORY

Salaries	326	568	534	629	520	520
Benefits - Fringe/Executive/Flex/ Etc.	218	239	174	192	159	159
Caribbean Trade Initiative	100	38	0	0	0	0
Administrative Reimbursement (GMCVB)	-115	-100	-100	-100	-100	-100
Other Operating (add more rows as necessary)	199	161	224	224	252	252
Capital	6	6	5	5	5	5
Proposed Additions To Base (See Chart I)						659
<b>TOTAL OPERATING EXPENDITURES</b>	<b>735</b>	<b>911</b>	<b>837</b>	<b>950</b>	<b>836</b>	<b>1,495</b>

Debt Service						
Reserves						
Transfers						
<b>TOTAL EXPENDITURES</b>	<b>735</b>	<b>911</b>	<b>837</b>	<b>950</b>	<b>836</b>	<b>1,495</b>

Cash Position

REVENUES LESS EXPENDITURES	67	70	0	-43	1	0
----------------------------	----	----	---	-----	---	---

Revenue to the General Fund

--	--	--	--	--	--	--

B) POSITIONS

Full-time approved =	7	7	7	7	7	13
Net full-time funded =	7	7	7	7	7	13
Budgeted Attrition Percent =	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Part-time FTEs =	0	0	0.63	0.63	1.13	1.13
Temp Agency FTEs =	1	0	0	0	0	0

\* If department administers other reserve funds, please provide detailed documentation

NOTE: 1.13 Full Time Equivalent Positions (FTE's) in 04'-05' Base Budget corresponds to 2 part-time employees.  
NOTE: 03'-04' Salary and Benefits projections include a one-time payout of accumulated sick hours totaling \$178,500 for the Executive Director who is in the drop.

# WORKSHEET - ITC TOTAL BUDGET ALLOCATIONS - 04'-05'

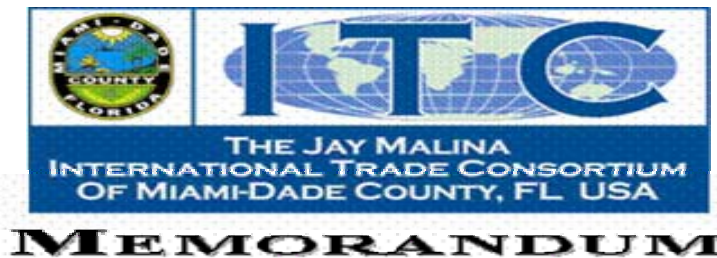
(INCLUDING SALARIES, DIRECT PROGRAM EXPENSES, TRAVEL, AND OFFICE OVERHEAD)

	Salaries	Direct Program Expenses	* Travel	** Office Overhead % of time	ACTIVITY COST	
<b>I. (OUTREACH) ED 1-8, ED 1-4</b>						
A. PROMOTIONS:						
1. Website/ Calendar of Events	24,623	3,000		3,411	31,034	
2. Purchase Promotional Ads	18,447	10,000		2,311	30,758	
3. Publish Statistical Guide	15,847	20,000		1,871	37,718	
4. Sponsor/ Participate in Trade Events	44,007	10,000	2,000	5,392	61,398	
5. Develop Trade Workshop/ Seminar	11,759	4,000	2,000	1,430	19,190	
6. Sponsor Trade-Related Workshops/ Seminars	3,947	3,000		550	7,497	
7. Publish Annual Report	24,606	4,000		3,081	31,687	
8. Publish 12 Newsletters	33,348	15,000		4,511	52,859	
9. Hire Additional Part-Time employee (to support Outreach)	22,000				22,000	
B. MAINTAIN DATABASE (from Board Prior 2-RD)	17,349	15,000		2,421	34,770	
<b>C. OTHER GENERAL ACTIVITIES</b>						
1. Staff 6 ITC Board of Directors' meetings	35,446			4,841	40,287	
2. Staff 10 Committee meetings	27,387			4,181	31,568	
3. Conduct 1 ITC Board Strategic Goal Session	12,109	2,000		1,540	15,650	
5. Support Inter-American Conference of Mayors	3,346			330	3,676	
6. Staff Mayor's African Trade Task Force	6,562			1,210	7,772	
4. Support FIU-Madrid Center Grant	0			0	0	
<b>Total - Outreach -</b>					<b>427,863</b>	<b>% of total Budget 46%</b>
<b>II. (MISSIONS) ED 1-4</b>						
A. Support 5 Incoming Missions	24,604	12,500	0	3,411	40,515	
B. Conduct 3 Airport Route Development missions	104,223		24,000	11,223	139,447	
C. Conduct 5 Airport Briefings	39,790		18,000	4,401	62,191	
D. Missions to other North American Cities (1)	0	0	0	0	0	
E. Fund/ Support 2 3rd-party outgoing missions	9,915	5,000	3,000	1,320	19,236	
F. Conduct 2 ITC missions to Other Countries	54,118		12,000	8,968	75,086	
G. Trade Shows	0				0	
<b>Total - Missions -</b>					<b>336,475</b>	<b>% of total Budget 36%</b>
<b>III. (SISTER CITIES) ED 1-6</b>						
A. Undertake 1 mission to Sister City Community	20,817		3,000	2,389	26,207	
B. Participate in 1 Conference	20,817		2,000	2,389	25,207	
C. Award 6 Scholarships	20,526			2,748	23,274	
D. Develop 2 new Sister Cities Relationships	35,419		2,000	4,779	42,198	
E. Conduct 1 art exhibit	29,236			4,420	33,656	
F. Staff Sister Cities Coordinating Council/ Committees	18,756			2,270	21,026	
<b>Total - Sister Cities -</b>					<b>171,567</b>	<b>% of total Budget 18%</b>
<b>(RESEARCH) - PROPOSED ADDITION TO BASE BUDGET</b>						
A. Identify Trade Opportunities	0					
B. Gather Statistical Data on Trade	0					
<b>Total - Research -</b>					<b>0</b>	<b>% of total Budget 0%</b>
	<b>679,005</b>	<b>103,500</b>	<b>68,000</b>	<b>85,400</b>	<b>935,905</b>	

\* Included in the ITC Travel budget, are travel expenses for Commissioner Diaz who, as the ITC Chairman, participates in missions abroad.

\*\* Total Office Overhead allocated by time spent on activity includes Rent/ Telephones/ GSA Services/ Postage/ Membership

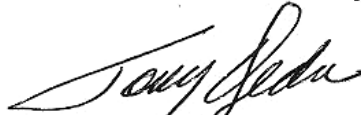
Dues (with the exception of \$1,500 for Sister Cities) Computers/ and other office expenses: \$83,900



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**TO:** ITC Board of Directors

**DATE:** April 2, 2004

  
**FROM:** J.A. Ojeda, Jr.  
Executive Director

**SUBJECT:** End of Mission Report

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I am pleased to submit for your review a copy of our End of Mission Report for the ITC Mission to Singapore, Hong Kong, and Shanghai, March 5 to 17, 2004. This was the first time that an ITC mission led by Commissioner Jose “Pepe” Diaz traveled to the Orient with the participation of the Greater Miami Chamber of Commerce, the Beacon Council, CAMACOL, the Port of Miami, and Miami International Airport. Representatives of the Miami-Dade business community also joined our group.

The mission was a great success, and it served to open the doors for increased trade between these important Asian cities and Miami-Dade County. All of the private sector participants had meaningful and productive meetings with their business counterparts that have the potential of providing direct economic benefits to our community. Commissioner Diaz and members of our delegation also had high level discussions with air carriers to explore possible direct air cargo routes to and from Miami-Dade County.

Please let me know if you should require additional information.

Cc: Hon. Jose “Pepe” Diaz, County Commissioner, ITC Chair

Enc.

Stephen P. Clarke Center  
111 N.W. 1<sup>st</sup> Street, Suite 2560  
Miami, FL 33128

Tel: (305) 375-1254



# End of Mission Report



• • • • • • • • • •

## **Air Cargo/Business Development Mission to Singapore, Hong Kong & Shanghai**

*March 5<sup>th</sup> to 17<sup>th</sup> 2004*

**Hon. Jose “Pepe” Diaz  
ITC Chair**

**J.A. Ojeda, Jr.  
ITC Executive Director**

**Submitted by ITC Staff**



## Purpose

*To explore business opportunities and air cargo/business development between Singapore, Hong Kong, Shanghai and Miami-Dade County.*

*To educate Singapore, Hong Kong and Shanghai authorities of the business possibilities between Miami-Dade and their respective countries.*

*To highlight Miami-Dade as the gateway to the Americas and an ideal location for doing business in the hemisphere.*



## **Introduction**

This was the first time that a Miami-Dade trade delegation consisting of the significant local economic development and trade organizations visited the cities of Singapore, Hong Kong and Shanghai. The delegation was headed by County Commissioner and ITC Chair Jose “Pepe” Diaz. The Greater Miami Chamber of Commerce, The Latin Chamber of Commerce, The Beacon Council, The Port of Miami and Miami International Airport joined the Jay Malina International Trade Consortium in the Mission. Representatives of Miami Dade business community also participated. The Mission was in part to support the Airport’s route development efforts in parts of Asia. A total of seventeen (17) persons joined the mission.

## **Planning the Mission**

The Mission was put together primarily by staff of the ITC, The Greater Miami Chamber of Commerce, The US Technology Center, The US Commercial Service in Singapore, Hong Kong and Shanghai together with the Hong Kong Trade Development Council, and the various Chambers of Commerce and trade organizations at all three destinations.

The main focus of the Mission was to engage the authorities/parties at the various locations and to educate them of the opportunities that exist in Miami-Dade County. Second, to educate the Miami-Dade County mission delegates of the opportunities in the countries visited, and to afford participants the opportunity to meet with their counterparts in match-making appointments. And, third, to promote air cargo routes between the cities visited and Miami-Dade.

## **Mission Briefing**

The formal briefing was conducted by the ITC on February 27<sup>th</sup> to prepare participants for the mission. At the briefing, participants received their airline tickets, and the briefing book which contained the mission agenda, country briefings (historical, cultural and economic information), weather information, and lists of mission participants.

## **Mission**

By all accounts, the Mission was a success. The Mission was taken to three cities in two countries: Singapore, Hong Kong, and Shanghai. Like Miami, Singapore and Hong Kong are gateway cities. Shanghai, is the main commercial hub of mainland China. Each of these cities has unique economic qualities that can have positive economic results for our community: increase trade, commerce, and the potential for direct air cargo routes to and from Miami International Airport.



## Singapore

Ever since the ITC and the US Technology Center met during the Mission of September 2003, negotiations on closer cooperation between the two organizations have been ongoing. The highlight of the mission to Singapore, was to cement the cooperation between the two parties. Below are some of the highlights of the Singapore portion of the Mission. On this mission:

- The ITC signed a Memorandum of Understanding (MOU) with The U.S. Technology Center. This Agreement provides for mutual cooperation and assistance between the ITC and the U.S. Technology Center. It will facilitate trade opportunities between Miami-Dade and Singapore by exchange of data, providing technical assistance and support to enterprises wishing to do business in these cities.
- The US Technology Center offered their incubator space for a Miami-Dade County representative in Singapore. The two parties discussed the opening of a Miami-Dade Office in Singapore.
- The Beacon Council Representative and Commissioner Diaz met with a Senior Vice President of a tanker company. This Corporation is planning to relocate its headquarters from Singapore to Miami in the summer of 2004. This move will create 30 new jobs over the next three years. The company plans to make a capital investment of approximately \$300,000 and occupy 4,000 sq. ft. of office space.
- The Beacon Council Representative met with The Economic Development Board of Singapore (EDB) to discuss cooperative and business ventures.
- Meetings were held with the Civil Aeronautic Agency to discuss joint efforts for passenger and air cargo service between Singapore and Miami-Dade.
- Private sector delegates established direct business links with their counterparts which will produce significant business exchanges between Singapore and Miami-Dade.



Delegation embarking on the first business day of the mission.



Signing of MOU with the US Technology Center.



Briefing by the Economic Development Board, Singapore.



## Hong Kong

In Hong Kong, the delegation started the mission with an in country briefing by the US Commercial Service. The briefing served to educate mission participants, especially members of the private sector, of the requirements for doing business in and through Hong Kong. In Hong Kong:

- The Greater Miami Chamber of Commerce signed a Memorandum of Understanding (MOU) with the Hong Kong General Chamber of Commerce.
- Commissioner Diaz met with senior representatives of the Hong Kong Aviation Authority, and senior officials of large airline to discuss air-cargo, and passenger route to Miami-Dade County.
- Commissioner Diaz also met with Commercial Services Director of Hong Kong Airport Authority to discuss joint marketing efforts between both airports, and explore the establishment of passenger and air cargo service between Hong Kong and Miami.
- The delegation met with the Hong Kong Federation of Industries.
- Commissioner Diaz and delegates met with Deputy Secretary for Commerce, Industry and Technology of the Government of Hong Kong, Mr. Raymond Young, and with the Assistant Director of Invest Hong Kong, Mr. John Rutherford, to discuss increased trade linkages between Hong Kong and Miami-Dade.
- Private sector delegates established direct business links with their counterparts which will produce significant business exchanges between Hong Kong and Miami-Dade.



After the briefing at the U.S. Commercial Service in Hong Kong.



The Three Chambers:  
(CAMACOL, Hong Kong General Chamber of Commerce and The Greater Miami Chamber of Commerce.



Hong Kong businesses meeting with the delegation at the Hong Kong Federation of Industries.



## Shanghai

Delegates were pleasantly surprised at the dynamism of Shanghai including the level of development and commercial activity. In Shanghai members of the delegation:

- Established direct linkages with the Shanghai Chamber of Commerce; the most important Chamber of Commerce in the Region. Invited Chamber's Vice Chairman to visit Miami with a Shanghai business delegation.
- Established direct contacts with the Shanghai Regional International Trade Office.
- Toured the 15,000 employee ZMPC Gantry Crane Factory. The Port of Miami is acquiring two cranes from this company.
- Representative of the Beacon Council met with the Director of Commercial Affairs for Enterprise Ireland to obtain information of the Shanghai market.
- Private sector delegates established direct business links with their counterparts which will produce significant business exchanges between Shanghai and Miami-Dade.



At the Shanghai Regional Government Trade Office



At the Shanghai Chamber of Commerce.



Vice Chairman of the Shanghai Chamber of Commerce, Commissioner Diaz, and Tony Ojeda.

Commissioner Diaz and the Director of the Shanghai Regional Government Trade Office.



## **Mission Participants**

Commissioner Jose “Pepe” Diaz, Miami-Dade County Commissioner and ITC Chair  
Hon. Ana Maria Pando, Judge,, 11<sup>th</sup> Judicial Circuit Court of Florida  
Mr. Tony Ojeda, Executive Director, ITC  
Captain William Alexander, President, CAMACOL  
Mr. Bradley Arkin, Executive VP Global Sourcing, Perry Ellis International  
Mr. Rodney Carey, Chief Financial Officer, Empowerment Trust  
Ms. Isabel Davila, Greater Miami Chamber of Commerce  
Mr. Alex Gonzales, Director Government Affairs, Waste Management and ITC Board  
Mrs. Martha Gonzalez, Project Director, Alex Gonzales and Associates  
Mr. Cornelius Herelle, Sr. Trade Development Specialist, ITC  
Mr. Sean Kelly, President, Baby City Diapers  
Mr. Eddie King, Senior VP Investments, Smith Barney  
Mr. Evelio Ley, President, International Center of Commerce of the Americas  
Mr. Jose A. Martinez, Sr. Vice President, Beacon Council, Inc.  
Mr. Ernesto Rodriguez, International Air Service Development Manager, Miami-Dade  
Aviation Department  
Mr. Khalid Salahuddin, Assistant Director, Port of Miami  
Mr. Alex Siman, ALX Trading

**VI. PRESENTATION OF ECONOMIC IMPACT  
STUDY BY WASHINGTON ECONOMIC GROUP**



*THE ECONOMIC IMPACT OF INTERNATIONAL  
MERCHANDISE TRADE IN  
MIAMI-DADE COUNTY*

**Prepared by:**

**The Washington Economics Group, Inc.**

**Prepared for:**

**JAY MALINA INTERNATIONAL TRADE CONSORTIUM**

**April 30, 2004**

2655 LeJeune Road, Suite 608  
Coral Gables, Florida 33134  
Tel: 305.461.3811 – Fax: 305.461.3822  
[weg@weg.com](mailto:weg@weg.com)  
[www.weg.com](http://www.weg.com)

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## I. EXECUTIVE SUMMARY

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- ❖ The international merchandise trade sector is a critical component of the Miami-Dade County (MDC) economy.
- ❖ This study quantified the substantial economic impacts on jobs, labor income, business output and public revenues of international trade in goods (merchandise) shipped through MDC's international airport, the Port of Miami and the terminals along the Miami River.
- ❖ The study results, utilizing professional and widely accepted input-output methodology, reveal the pivotal importance of the international merchandise trade sector for the economic well-being of County residents:
  - An estimated 121,000 jobs in MDC are supported by this sector. This is approximately 10 percent of total employment.
  - The jobs supported by the international trade sector pay higher than the average wage in MDC. The average annual employment earnings in the sector are \$41,700 per job. This is 16 percent higher than MDC's average annual wage.
  - The occupational distribution of jobs represented in international trade is widely dispersed, indicating that the labor income benefits of this sector reach across a broad spectrum of socio-economic groups that live within MDC.
  - An estimated \$5.1 billion of annual labor income are generated.
  - The sector contributes nearly \$15 billion in annual economic output to MDC.
  - International merchandise trade activity provides \$179 million annually in fiscal revenues to local governments and taxing authorities within MDC.
  - An additional \$182 million in fiscal revenues are generated annually for the State of Florida.
- ❖ The direct, indirect and induced economic impacts previously presented are summarized in the following Table:

**Table ES-1. Economic Impacts from International Merchandise Trade Activity: 2003**

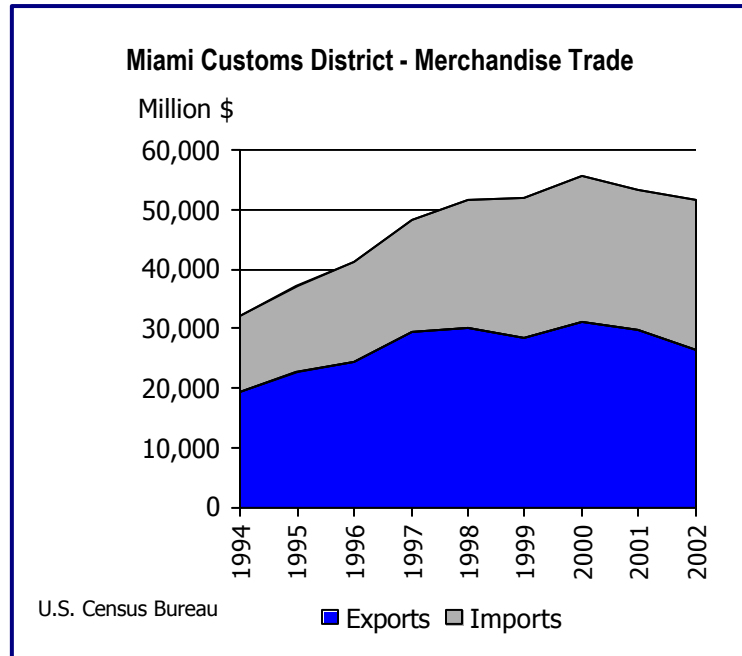
Economic Indicator	Impacts due to:		
	Transportation Services and Trade Financing	Exports of Manufactured Goods	Total Impacts
Employment (Jobs)	42,638	78,606	121,244
Labor Income (Million \$)	1,694	3,360	5,054
Average Earnings Per Worker (\$/year)	39,725	42,745	41,683
Economic Output (Million \$)	4,436	10,521	14,957
Gross Regional Product (Million \$)	2,320	4,829	7,149
Capital Income (Million \$)	471	1,145	1,616
Local Govt Taxes and Fees (Thou. \$)	57,891	121,211	179,102
State Govt Taxes and Fees (Thou. \$)	58,777	123,040	181,817

The Washington Economics Group, Inc.'s model of Miami-Dade County, with data provided by the Minnesota IMPLAN Group, Inc.

- ❖ The quantification of international merchandise trade impacts **underestimates** the economic importance of the broader international sector of Miami-Dade, **of which international merchandise trade is a key but not the sole component.**
- ❖ International merchandise trade primarily impacts transportation and related industries, trade finance and manufacturing for exports.
- ❖ The **broader international sector** also includes economic impacts generated by tradable services such as legal, healthcare, media/entertainment, accounting, business services and others.
- ❖ Furthermore, the presence of a world-class international trade infrastructure attracts business visitors, trade shows and business conferences. Foreign capital inflows that stimulate activity in banking, real estate services and construction are also part of the broader international sector of MDC.
- ❖ Therefore, the authors of this study recommend the undertaking of a comprehensive study that estimates the economic impacts of the broader international sector as an additional complement to the present report on international merchandise trade activity.
- ❖ A full understanding of MDC's international sector economic impacts would facilitate the implementation of appropriate public policies and necessary investments to enhance the sector's future development.

## II. RECENT TRENDS IN MERCHANDISE TRADE ACTIVITY

Miami-Dade County is the commercial gateway of the U.S. to South America and the Caribbean Basin. Billions of dollars worth of international cargo are shipped through Miami International Airport and the Port of Miami each year. In 2002, for example, \$54 billion worth of total merchandise trade were shipped via the Miami U.S. Customs District – \$26.4 billion of exports and \$25.3 billion in imports.<sup>1</sup> The flow of merchandise trade shipped



**Figure 1**

through Miami-Dade's ports grew steadily throughout the 1990's. While imports continued to grow from 2000 to 2002, exports fell sharply. It appears, however, that export shipments began once again to grow in 2003. Data through the third quarter of 2003 indicates significant growth in total trade from 2002.

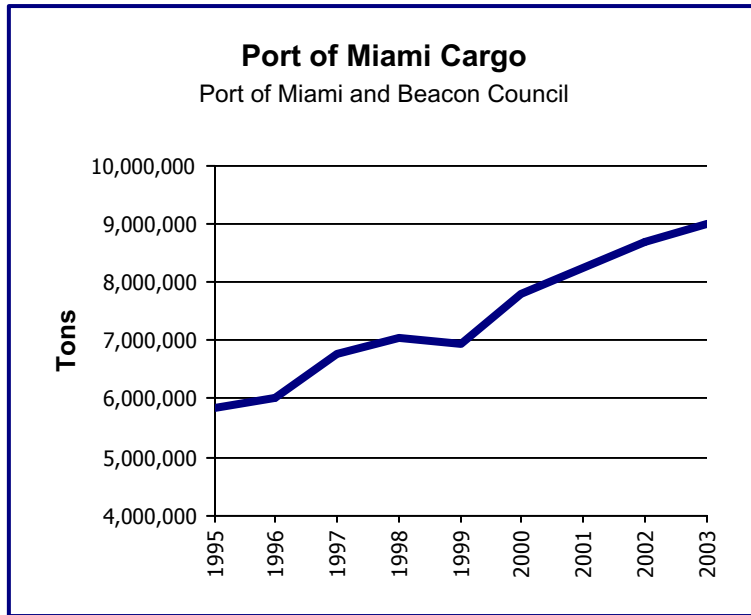
While the value of exports shipped through the Miami Customs District declined at an annual rate of 1.3 percent (after adjusting for price inflation) over the 1998-2002 period, the value of imports grew at a real annual rate of 7.5 percent.<sup>2</sup> Total merchandise trade grew by \$3.5 billion from 1998 to 2002, or at an inflation-adjusted rate of 2.5 percent per year. Cargo activity at the Port of Miami reflected the increase in trade volumes experienced in the Miami U.S. Customs District as a whole.

International cargo handled through the Port of Miami has risen sharply since 1996. By 2003 nine million tons of cargo were loaded or unloaded from Port of Miami docks, representing a more than 50 percent increase over the Port's 1995 cargo volume.

<sup>1</sup> Although Miami's air- and seaports carry the largest volume of cargo, the Miami Customs District also includes ports in Broward and Palm Beach counties.

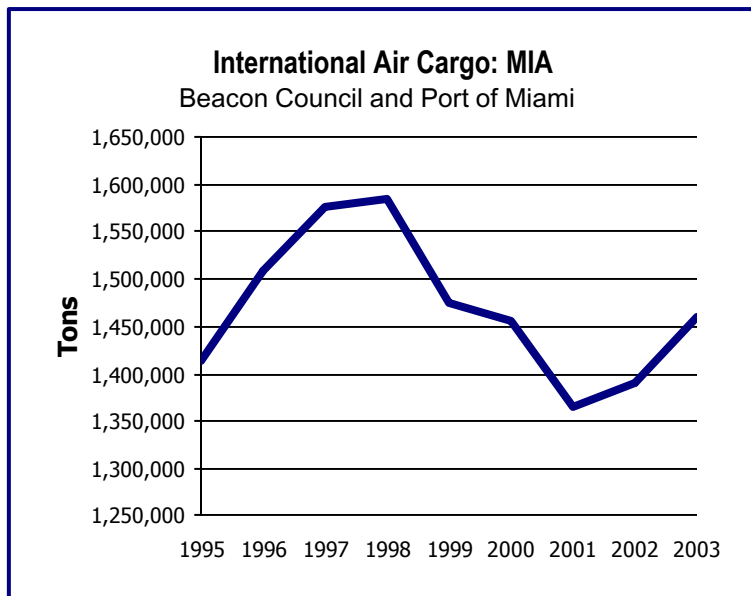
<sup>2</sup> Export and import data for 2003 is not yet available.

This level of cargo activity not only provides employment opportunities for longshoremen, shipping company workers and port employees, but also for the truckers, freight forwarders, trade financing specialists and similar workers involved in the logistics of moving merchandise across international boundaries from either their domestic points of origins or to their domestic destinations.



**Figure 2**

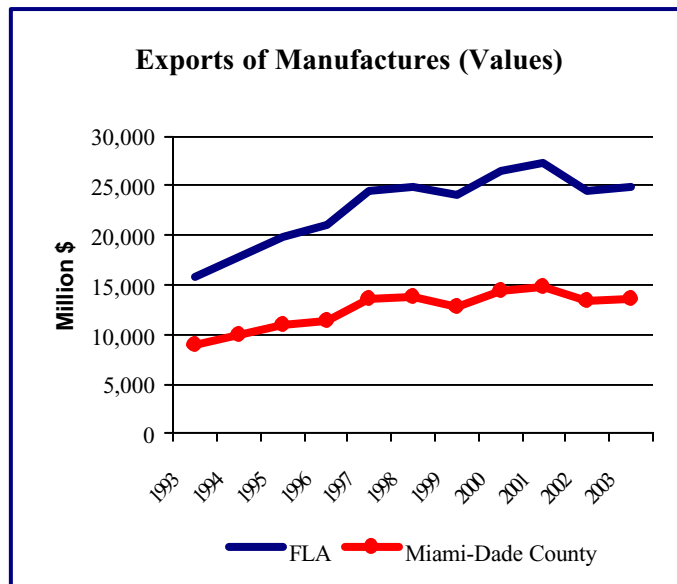
International air cargo through Miami International Airport (MIA) has shown considerable volatility over the past several years. Although the tragedy of September 11<sup>th</sup> had a negative impact on air transportation, MIA air cargo volumes actually began declining two years prior to 2001. Air cargo volumes at MIA, however, began to make steady gains after September 11<sup>th</sup>, but even after two years of significant increases, air cargo volumes



**Figure 3**

are similar to where they stood in 1995-96. Nevertheless, MIA handles a significant volume of cargo – 1.45 million tons of international cargo alone – providing a large number of job opportunities for workers engaged in the international movement of goods by air.

Workers engaged in international trade transportation services also hold jobs that traditionally pay higher salaries than the typical employment position found in Miami-Dade. Therefore, the local consumer spending by these transport workers magnifies the importance of the direct employment effects within the transportation sector and throughout the rest of the local economy.



**Figure 4**

Census data shows that billions of dollars worth of manufactured exports can also be traced to sales **initiated** within the metro Miami area.<sup>3</sup> In 2003, Miami-Dade firms exported \$13.6 billion worth of manufactured goods.<sup>4</sup> International merchandise trade activity, therefore, directly impacts the Miami-Dade economy along two basic paths: 1) through transportation services (trucking, warehousing, shipping via air or ocean cargo vessels), by providing trade financing services, and/or 2) through the direct manufacture of goods destined for foreign markets.<sup>5</sup>

While employment opportunities in the international transportation sector directly provide substantial wage income and make a significant contribution to the local economy, manufacturing activity resulting from exports by local firms is a key factor in the local economic impact of international merchandise trade activity. Manufacturing activity is particularly important to a local economy because manufacturing wages are typically higher-than-average, and the manufacturing sector has especially strong supply-chain linkages with other sectors of the local economy. According to Census Bureau

<sup>3</sup> This data is based on the U.S. Census Bureau's export locator series, which is best described as point-of-sale data – the marketing origin of exports. This data series is, therefore, an imperfect indicator of the production origin of exports. Nevertheless, it is the best data available to get a sense of the relative importance of exports in local manufacturing activities.

<sup>4</sup> This represents the authors' estimates based on statistical regression analysis with State of Florida data from 1993 to 1999, and extrapolation of the Miami-Dade series based on actual State exports from 2000 to 2003.

<sup>5</sup> International trade in services (including tourism, legal and financial services, for example) is beyond the scope of this study, although they are also important contributors to Miami-Dade's economy.

statistics, firms in Miami-Dade County increased their sales abroad from \$8.9 billion in 1993 to \$12.8 billion by 1999.

The Census Bureau discontinued reporting the metropolitan area export data after 1999, but continued to report this data for the entire State of Florida through this past year (2003).<sup>6</sup> To provide estimates of Miami exports from 2000 to 2003, we developed a statistical regression equation that forecasts Miami exports as a function of Florida exports using the data from 1993 to 1999. This regression showed a strong, direct correlation between Miami exports and Florida exports. We then used this regression equation to forecast Miami exports based upon the Census' reported exports for Florida from 2000 to 2003. Miami exports are estimated to have reached \$13.6 billion in 2003 – closely following the growth pattern experienced in State exports.

While international merchandise trade activity is clearly recognized as a defining characteristic of Miami-Dade's economy, it is important to get a sense of the magnitude of this sector's contribution to the local economy as a whole. The purpose of this study is to utilize a quantitative model of the County's economy to estimate the economic impact of international merchandise trade in terms of basic macroeconomic indicators.

We have developed an input-output model of Miami-Dade's economy that can be used to estimate the contribution made by international merchandise trade shipments and exports of locally produced manufactured goods to Miami-Dade's economy. This model accounts for the inter-industry linkages that occur through supply chain relationships. That is, an expansion in production in one industry usually leads to increased production in other industries within the local economy. Our model also allows for an expansion of production in any local industry to have a positive impact on local household income and buying power, and, therefore, also accounts for additional spending of locally earned income. The latter is the basis for an additional round of economic benefits in terms of gross regional product and employment.

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<sup>6</sup> The Bureau also plans to continue providing State-level export series on an annual basis.

### **III. ESTIMATING THE ECONOMIC IMPACTS**

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#### **The Direct Economic Impacts from International Trade Activity**

International trade activity in this study refers to commercial activity directly related to the shipment of goods across international borders and the production of manufactured goods for export. The focus of our study, therefore, is the direct, indirect and induced economic impacts that originate from the transportation of both exported and imported goods, the financing of international trade and the local manufacturing of export products. The direct economic impacts from each of these three activities are described below.

The direct economic impacts, however, only reflect part of the total economic impact that these activities have on Miami-Dade's economy. In the process of producing goods or services, firms need to purchase inputs from other firms, and a significant proportion of the expenditures for inputs is directed to other local firms. Similarly, the payroll expenditures that firms make provide income to local residents, who in turn purchase goods and services throughout the local economy. These indirect and induced economic impacts need to be taken into account when estimating the local economic impact of international trade activity.

#### ***The Direct Impacts of Trade-Related Transportation Services***

Approximately 19,000 workers were directly employed in international trade transportation services in 2003. These workers were employed in industries ranging from ocean vessel transportation and air transportation to trucking and warehousing. This level of employment accounts for approximately 48 percent of total transportation-related jobs in 2003. (See Table 1.)

Transportation services provide employment opportunities for a broad range of education and skill levels. The majority (55 percent) of the employment positions available in transportation services are production workers, but nearly one-fifth of the available jobs involve managerial, administrative and professional workers. Approximately 20 percent of the employment positions directly generated by transportation services are classified as clerical workers.

**Table 1. Direct Employment and Payroll in Transportation of International Cargo and International Trade Financing: 2003**

Industry	Jobs	Compensation	Average Wage
Motor Freight Transport and Warehousing	2,849	101,324,651	35,565
Water Cargo Transportation	4,342	163,649,592	37,687
<i>Deep sea freight transportation</i>	919	44,620,810	48,527
<i>Marine cargo handling</i>	3,084	102,178,669	33,133
<i>Port operations and navigational services</i>	339	16,850,113	49,719
Air Cargo Transportation	2,560	95,892,103	37,464
Transportation Services	9,226	307,365,863	33,315
<i>Freight arrangements, packing, crating</i>	5,547	211,744,615	38,175
<i>Support activities for air transport</i>	3,679	95,621,248	25,988
International Trade Financing	<u>2,810</u>	<u>255,477,999</u>	<u>90,917</u>
Direct Employment in Intl Movement of Goods	21,787	923,710,208	42,397

*Estimates by Washington Economics Group from Bureau of Labor Statistics, CEW survey.*

*Includes only those jobs directly engaged in the movement of international cargo and their associated payroll.*

International trade transportation generated a direct impact of \$924 million in labor income for Miami-Dade residents, representing \$42,400 in annual compensation per worker. (The average labor compensation in Miami-Dade is approximately \$35,800.)

International trade transportation services accounted for an estimated \$2.2 billion in gross economic output (or *business revenues*).

### ***The Direct Impact of International Trade Financing***

International trade financing activity accounted for an estimated 2,800 full and part-time jobs in Miami-Dade County in 2003 and generated \$152 million in labor earnings. Nearly one-third of direct employment in trade financing is found among managers, administrators and professionals, while half of the jobs are designated as clerical employment positions. The average annual compensation in the employment positions directly supported by international trade financing is estimated at \$54,000. The financing of international trade directly accounts for \$270 million of economic output.

### ***The Direct Impact International Exports Manufactured Goods***

The approximately \$13.6 billion of export sales by Miami-Dade firms in 2003 have a significant direct economic impact.<sup>7</sup> Approximately 35 percent of these sales are believed to represent goods actually manufactured within Miami-Dade County, while the remainder represents the work of sales offices and local distributors or sales representatives. The goods produced within Miami-Dade provide employment and income for workers in the manufacturing sector, while the goods sold but not produced in Miami-Dade provide employment and income opportunities for sales and administrative staffs. In either case, these exports have significant economic impacts on the local economy.

Our input-output model of Miami-Dade's economy suggests that exports of manufactured goods directly support 30,400 jobs and provide labor income of \$1.6 billion. The average annual compensation for these workers is \$53,700.

Miami-Dade export sales represent a direct economic impact of \$5.9 billion in direct business revenues (i.e., *direct economic output*).

### ***Direct Economic Impacts: A Summary***

The direct economic impact of international trade activity can, perhaps, be better appreciated when taken together as a group. The direct impacts are summarized in Table 2.

International merchandise trade activity directly accounts for \$8.4 billion of economic output or sales revenues and generates \$3.4 billion in gross regional product. Similarly, international merchandise trade activity in Miami-Dade directly supports a payroll of \$2.6 billion and provides job opportunities for nearly 52,200 workers (or approximately five percent of total employment in Miami-Dade). These 52,200 jobs are spread over a large variety of occupational categories and, therefore, provide good jobs to residents with varied levels of education and skills. The direct employment benefits of merchandise trade accrue to a broad spectrum of the workforce.

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<sup>7</sup> This estimate of export sales initiated in Miami-Dade County is based on historical estimates provided by the U.S. Census Bureau for the period 1993-1999 and from Florida export sales from 1993 to 2003.

**Table 2. Direct Economic Impacts of International Trade Activity: 2003**

Economic Indicator	<u>Direct Impact From:</u>			Total
	Transportation Services	Trade Financing	Export Sales	
Economic Output (million \$)	2,204	270	5,918	8,392
Employment (Jobs)	18,977	2,810	30,369	52,156
Earnings from Employment (million \$)	772	152	1,630	2,554
Compensation Per Worker (\$)	40,681	54,010	53,674	48,964
Gross Regional Product (million \$)	1,000	176	2,175	3,351
Capital Income (million \$)	174	14	471	659

*Notes: 1) Gross Regional Product represents Miami-Dade's "GDP" and is equal to the sum of labor earnings, corporate profits and rents before taxes, and indirect business taxes (primarily sales taxes). 2) Capital income refers to corporate profits and rents.*

Seventeen (17) percent of the direct employment positions are in managerial, administrative or professional occupations, while 14 percent are for clerical workers. Approximately six (6) percent of the jobs directly supported by international merchandise trade activity represent sales and service workers (4.7 percent salespersons), and the remaining 62 percent are production workers.

### **Calculating the Indirect and Induced Multiplier Impacts – Methodology**

Every business activity that operates within Miami-Dade County has the potential to generate positive economic impacts that exceed those directly related to the operation of that activity. These “spillover” or multiplier impacts are the result of each business activity’s supply relationships with other firms operating within the County, the proportion of business value added<sup>8</sup> that accrues to County households in the form of labor and capital income, and the propensity of County households to spend income on goods produced within the State.

Economic models that explicitly account for inter-industry linkages (supply relationships), the generation of labor and capital income, and the spending of household income have been used since the 1960’s to estimate the contribution that a particular business or industry makes to the general economy. In these “input-output” models, as an industry experiences an increase in the demand for its products or services, it in turn needs goods and services from its suppliers and must increase its purchases from other

<sup>8</sup> “Value added” refers to the difference between business revenues and the cost of non-labor and non-capital inputs used to produce goods and/or services.

industries in the economy. The effect on regional production resulting from successive rounds of inter-industry linkages is referred to as the *indirect effect*. The resulting increases in regional production also lead to expansions in employment and labor income, and the increases in labor income lead to increases in consumer spending, further expanding sales and production throughout the regional economy. The latter economic impacts are referred to as the *induced effects*. The successive waves of production, spending and more production result in *economic multiplier effects*, where the final or total increase in regional production, income and employment, respectively, is larger than the initial (or “direct”) increase in production, income and employment. The total economic contribution of an industry, therefore, is comprised of a *direct effect*, an *indirect effect* and an *induced effect*.

The Minnesota IMPLAN Group, Inc. (MIG) provides the software and basic data needed to construct the economic multiplier model we have developed for this study. MIG has been providing regional multiplier models for regional economic impact analysis since 1985.<sup>9</sup> Models developed using IMPLAN software have been widely used by private-sector and academic economists and by federal, state and local government agencies. Our IMPLAN model for Miami-Dade County is based on the latest U.S. input-output tables, and income and employment data for Miami-Dade from the U.S. Department of Commerce.

Shipments of international cargo by air and sea, like other key transportation activities, have a special impact beyond those originating from these activities themselves and the shipping lines that utilize those ports. Manufacturing firms within Miami-Dade County rely on these transportation services to reach foreign markets. In the absence of Miami International Airport and the Port of Miami<sup>10</sup>, transportation costs would quickly become prohibitive and affect not only the profitability of local manufacturing enterprises, but also the national and global economic viability of many of these enterprises. It is also clear that the County’s international transportation infrastructure is a key factor that makes possible the \$13.6 billion in exports sold by Miami-Dade firms, and the direct, indirect and induced economic impacts associated with those exports. Without access and competitive international transportation costs, many producers and international sales offices would likely move their operations to other parts of the State where they can achieve distribution costs and foreign market access consistent with economic viability.

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<sup>9</sup> Information on their modeling software and company history may be found at [www.mig-inc.com](http://www.mig-inc.com)

<sup>10</sup> International cargo is also shipped via cargo terminals along the Miami River, although the overwhelming majority of merchandise cargo is shipped via the Port of Miami.

Our simulation analysis with our Miami-Dade County economic model clearly suggests that the multiplier impacts from international merchandise trade activity are quite significant.

### **The Total Impacts on Miami-Dade's Economy: 2003**

Miami-Dade County's international merchandise trade sector exercises a considerable impact on the local economy each year. Miami-Dade firms engaged in the services required for moving cargo across international borders or the export sales of goods (produced either in Miami-Dade County or in another part of the U.S.) in 2003 directly support nearly 52,200 jobs, but they also indirectly support another 69,000 jobs. (See Table 3 for summary and Appendix I for economic impacts by industry.) That is, Miami-Dade's international merchandise trade sector directly and indirectly supported approximately 121,200 jobs in 2003 – approximately ten (10) percent of total County employment.<sup>11</sup> Thirty-five (35) percent of these jobs resulted from transportation and trade financing activities, while 65 percent of the impact on jobs resulted from local export sales.

**Table 3. Economic Impacts from International Merchandise Trade Activity: 2003**

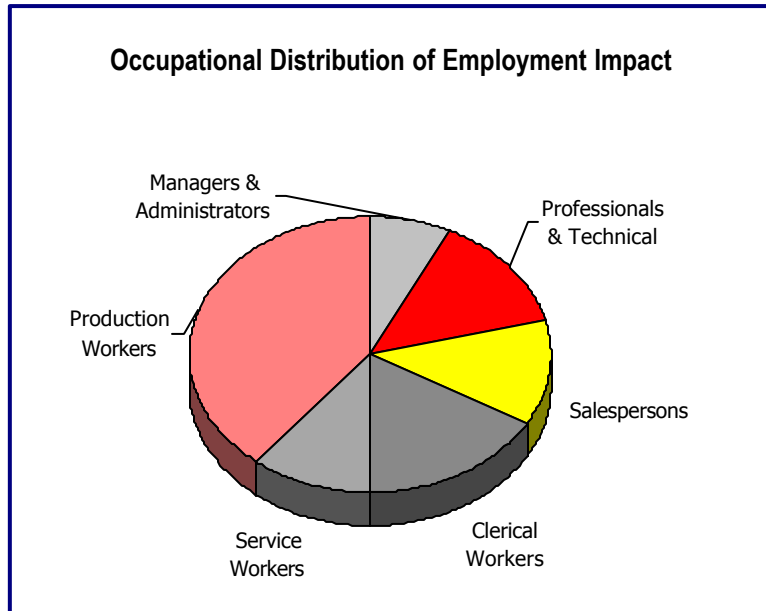
<b>Economic Indicator</b>	<b>Impacts due to:</b>		
	<b>Transportation Services and Trade Financing</b>	<b>Exports of Manufactured Goods</b>	<b>Total Impacts</b>
Employment (Jobs)	42,638	78,606	121,244
Labor Income (Million \$)	1,694	3,360	5,054
Average Earnings Per Worker (\$/year)	39,725	42,745	41,683
Economic Output (Million \$)	4,436	10,521	14,957
Gross Regional Product (Million \$)	2,320	4,829	7,149
Capital Income (Million \$)	471	1,145	1,616
Local Govt Taxes and Fees (Thou. \$)	57,891	121,211	179,102
State Govt Taxes and Fees (Thou. \$)	58,777	123,040	181,817

Source: The Washington Economics Group, Inc.

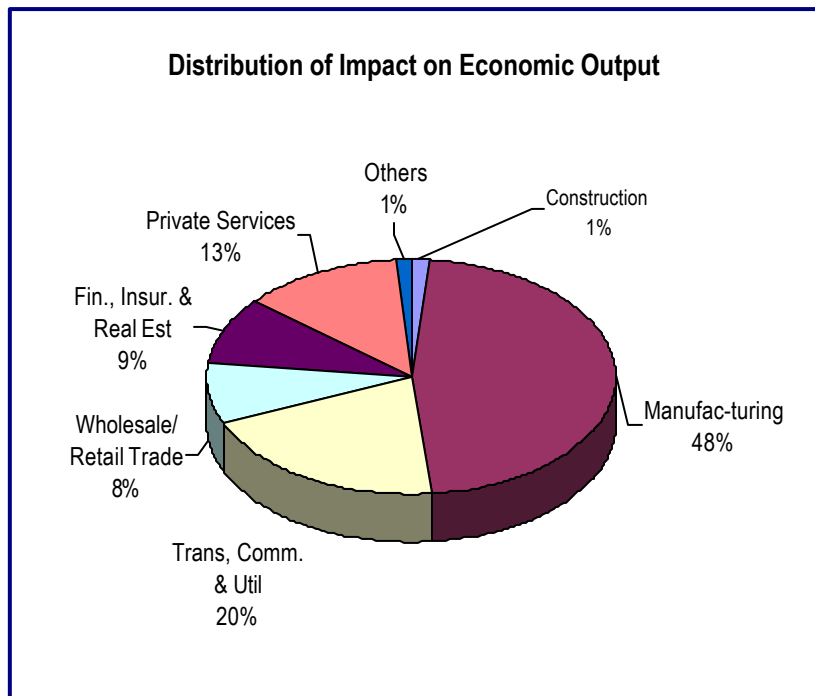
<sup>11</sup> Including both salaried employees and self-employed workers.

The total employment impact (direct, indirect and induced impacts) of Miami-Dade's international merchandise trade sector is spread across a wide spectrum of occupational categories, indicating that the economic benefits of this activity are similarly spread across household of many income strata. Approximately 21 percent of the nearly total jobs supported by Florida's seaports are found among the ranks of managers, administrators, and professionals. Twenty-seven (27) percent of the employment impact from international merchandise trade activity are found at the other end of the occupational spectrum – private-services employees (11 percent) and clerical/administrative support personnel (16 percent). Thirty-nine (39) percent of the employment impact is found among production workers, while 13 percent are salespersons.

The average annual earnings of workers directly or indirectly supported by the County's international merchandise trade sector are projected to be \$41,700, and compares favorably (16 percent higher) to the County average of \$35,800.



**Figure 5**



**Figure 6**

The international merchandise trade sector had a \$15 billion impact on gross economic output in Miami-Dade County in 2003, including the direct (\$8.4 billion), the indirect (\$3.2 billion) and the induced (\$3.3 billion) impacts. Approximately 30 percent of the total economic impact of international merchandise trade activity resulted from transportation and trade financing services, while the remaining 70 percent resulted from the exports of goods produced and/or sold by local firms. The bulk of this impact was experienced in the manufacturing sector (47 percent) and in the transportation sector (20 percent). The remaining impacts were spread almost evenly across private services (13 percent), banking and financial services (9 percent) and wholesale/retail trade (8 percent).

International merchandise trade activity also supported a total of \$7.1 billion in gross regional product.<sup>12</sup> The impact on gross regional product is distributed across a broad spectrum of industries in a pattern similar to the distribution of gross economic output. Gross regional product is an important economic indicator because (after deducting for indirect business taxes) it represents the total income that is available for distribution between labor earnings and the financial return to capital. The international merchandise trade sector generated \$5.1 billion in compensation (including fringe benefits and employer contributions to social insurance) to workers and \$1.6 billion in capital income, according to our analysis.

### **The State and Local Fiscal Revenue Contributions from Merchandise Trade**

The economic activity generated directly by Miami-Dade's international merchandise trade sector and through its economic multiplier effects also yields significant impacts on tax and fee revenues for the State and local governments. As economic activity expands property values, taxable sales and non-tax fees increase, and government revenues therefore increase as well.

Computer simulations with our model indicate that economic activity related to the movement of international cargo through County ports and export sales by local firms generate important revenues for Florida and for local governments in Miami-Dade County. Total State and local government revenues generated as a result of the economic activity supported by merchandise trade are estimated at \$361 million. These revenues are split almost equally between the State and local Miami-Dade governments (including

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<sup>12</sup> Gross Regional Product (GRP) represents the net value of production ("value added") and is a concept analogous to Gross Domestic Product (GDP) at the national level. Gross Regional Product consists of compensation to labor, compensation to capital (business profits and interest income), and indirect business taxes (mainly sales taxes).

the school board), although the sources of revenue are different. (See Table 4.) Additional sales taxes accounted for nearly 75 percent of total State revenues, while additional property taxes accounted for 57 percent of the projected local government revenues.

**Table 4. Summary of State and Local Govt Revenue Impacts: 2003**  
*(Thousands of \$)*

	<b>State</b>	<b>Local</b>	<b>Total</b>
Sales Taxes	138,667	27,606	166,273
Other Indirect Taxes and Fees	14,979	19,555	34,534
Property Taxes	5,882	102,843	108,725
Other Personal Taxes	9,500	12,403	21,903
Other Taxes and Fees	<u>12,789</u>	<u>16,695</u>	<u>29,484</u>
Total	181,817	179,102	360,919

Source: The Washington Economics Group, Inc.

#### IV. CONCLUSIONS

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The foregoing analysis of international merchandise trade activity within Miami-Dade County indicates that merchandise trade accounts for a substantial proportion of jobs, income, business revenues and gross regional product, and generates (either directly or indirectly) considerable government revenues for local governments and for the State of Florida.

The use of computer simulations with our input-output model of Miami-Dade's economy reveals the following:

- Just over 121,000 jobs in Miami-Dade County are supported by international merchandise trade activity.
- The average annual employment earnings of the jobs generated by this sector are \$41,700, which is 16 percent higher than the County's average wage of \$35,800.
- Approximately \$5.1 billion of annual labor income are generated by this activity.
- This sector is responsible for nearly \$15 billion in annual economic output (primarily private-sector business revenues).
- Merchandise trade provides the local economy with \$7.1 billion in gross regional product each year.
- International merchandise trade activity generates \$179 million of fiscal revenues for local governments and taxing authorities within Miami-Dade County and an additional \$182 million in State of Florida fiscal revenues.

The occupational distribution of the jobs supported by international merchandise trade activity indicates that the economic benefits of this sector reach across a broad spectrum of socioeconomic groups that live within Miami-Dade County.

Our estimates of international merchandise trade impacts **underestimates** the economic importance of the broader international sector of Miami-Dade, **of which international merchandise trade is a key, but not the sole component.** International merchandise trade primarily impacts transportation and related industries, trade finance and manufacturing for exports. The **broader international sector** also includes economic

impacts generated by tradable services such as legal, healthcare, media/entertainment, accounting, business services and others. Furthermore, the presence of a world-class international trade infrastructure attracts business visitors, trade shows and business conferences. Foreign capital inflows that stimulate activity in banking, real estate services and construction are also part of the broader international sector of MDC. International trade is a key component of the larger international sector of MDC. This sector also includes exports of knowledge-based services, business tourism and foreign capital flows. A comprehensive study of the broader international sector should be undertaken. An understanding of the economic impacts of international activities in MDC is essential to the implementation of appropriate public policies and investments required to enhance its development.

## APPENDIX I: DETAILED IMPACT TABLES

**Table A.1 Economic Impact from International Merchandise Trade Activity**

Total Economic Output (Business Revenues and Government Expenditures, Million \$, 2003)

Industry	Direct	Indirect	Induced	Total
<i><u>From International Trade Transportation and Financial Services</u></i>				
Agriculture and Mining	0	1	5	6
Construction	0	6	53	59
Manufacturing	0	42	64	106
Transportation, Communications, Utilities	2,204	364	57	2,625
Wholesale and Retail Trade	0	50	231	281
Finance, Insurance and Real Estate	270	174	248	692
Private, Non-financial Services	0	307	325	632
Government	<u>0</u>	<u>12</u>	<u>24</u>	<u>36</u>
Sub-Total	2,474	954	1,008	4,436
<i><u>From Exports of Manufactured Goods</u></i>				
Agriculture and Mining	0	41	11	52
Construction	0	57	103	160
Manufacturing	5,918	775	218	6,911
Transportation, Communications, Utilities	0	224	181	405
Wholesale and Retail Trade	0	466	484	950
Finance, Insurance and Real Estate	0	173	506	679
Private, Non-financial Services	0	537	735	1,272
Government	<u>0</u>	<u>6</u>	<u>86</u>	<u>92</u>
Sub-Total	5,918	2,279	2,324	10,521
<i><u>Total Impact From International Merchandise Trade Activity</u></i>				
Agriculture and Mining	0	42	16	58
Construction	0	63	156	219
Manufacturing	5,918	817	282	7,017
Transportation, Communications, Utilities	2,204	588	238	3,030
Wholesale and Retail Trade	0	516	715	1,231
Finance, Insurance and Real Estate	270	347	754	1,371
Private, Non-financial Services	0	844	1,060	1,904
Government	<u>0</u>	<u>18</u>	<u>110</u>	<u>128</u>
Total	8,392	3,233	3,332	14,957

Source: The Washington Economics Group, Inc.

**Table A.2 Economic Impact from International Merchandise Trade Activity**

Employment (Jobs)

Industry	Direct	Indirect	Induced	Total
<i><u>From International Trade Transportation and Financial Services</u></i>				
Agriculture and Mining	0	10	95	105
Construction	0	82	404	487
Manufacturing	0	276	354	629
Transportation, Communications, Utilities	18,977	2,822	372	22,171
Wholesale and Retail Trade	0	496	4,221	4,717
Finance, Insurance and Real Estate	2,810	972	830	4,612
Private, Non-financial Services	0	4,388	5,132	9,520
Government	<u>0</u>	<u>86</u>	<u>312</u>	<u>398</u>
Sub-Total	21,787	9,131	11,719	42,638
<i><u>From Exports of Manufactured Goods</u></i>				
Agriculture and Mining	0	743	199	942
Construction	0	424	766	1,189
Manufacturing	30,369	4,276	1,234	35,878
Transportation, Communications, Utilities	0	1,594	1,291	2,885
Wholesale and Retail Trade	0	6,705	6,959	13,664
Finance, Insurance and Real Estate	0	722	2,112	2,834
Private, Non-financial Services	0	8,058	11,045	19,103
Government	<u>0</u>	<u>85</u>	<u>2,026</u>	<u>2,111</u>
Sub-Total	30,369	22,607	25,630	78,606
<i><u>Total Impact From International Merchandise Trade Activity</u></i>				
Agriculture and Mining	0	753	295	1,047
Construction	0	506	1,170	1,676
Manufacturing	30,369	4,552	1,588	36,508
Transportation, Communications, Utilities	18,977	4,416	1,662	25,055
Wholesale and Retail Trade	0	7,202	11,179	18,381
Finance, Insurance and Real Estate	2,810	1,694	2,942	7,445
Private, Non-financial Services	0	12,446	16,177	28,623
Government	<u>0</u>	<u>172</u>	<u>2,337</u>	<u>2,509</u>
Total	52,156	31,738	37,350	121,244

Source: The Washington Economics Group, Inc.

**Table A.3 Economic Impact from International Merchandise Trade Activity**

Labor Income (Million \$, 2003)

Industry	Direct	Indirect	Induced	Total
<i><u>From International Trade Transportation and Financial Services</u></i>				
Agriculture and Mining	0	0	2	2
Construction	0	3	15	18
Manufacturing	0	14	15	29
Transportation, Communications, Utilities	772	117	18	907
Wholesale and Retail Trade	0	21	104	125
Finance, Insurance and Real Estate	152	62	43	257
Private, Non-financial Services	0	166	173	339
Government	<u>0</u>	<u>6</u>	<u>11</u>	<u>17</u>
Sub-Total	924	389	381	1,694
<i><u>From Exports of Manufactured Goods</u></i>				
Agriculture and Mining	0	14	4	18
Construction	0	17	30	47
Manufacturing	1,630	198	54	1,882
Transportation, Communications, Utilities	0	75	61	136
Wholesale and Retail Trade	0	204	212	416
Finance, Insurance and Real Estate	0	32	92	124
Private, Non-financial Services	0	280	383	663
Government	<u>0</u>	<u>4</u>	<u>70</u>	<u>74</u>
Sub-Total	1,630	824	906	3,360
<i><u>Total Impact From International Merchandise Trade Activity</u></i>				
Agriculture and Mining	0	14	6	20
Construction	0	20	45	65
Manufacturing	1,630	212	69	1,911
Transportation, Communications, Utilities	772	192	79	1,043
Wholesale and Retail Trade	0	225	316	541
Finance, Insurance and Real Estate	152	94	135	381
Private, Non-financial Services	0	446	556	1,002
Government	<u>0</u>	<u>10</u>	<u>81</u>	<u>91</u>
Total	2,554	1,213	1,287	5,054

Source: The Washington Economics Group, Inc.

**Table A.4 Economic Impact from International Merchandise Trade Activity**

Capital Income (Million \$, 2003)

Industry	Direct	Indirect	Induced	Total
<i><u>From International Trade Transportation and Financial Services</u></i>				
Agriculture and Mining	0	0	1	1
Construction	0	0	2	2
Manufacturing	0	4	7	11
Transportation, Communications, Utilities	174	37	10	221
Wholesale and Retail Trade	0	6	31	37
Finance, Insurance and Real Estate	14	35	108	157
Private, Non-financial Services	0	21	21	42
Government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Total	188	103	180	471
<i><u>From Exports of Manufactured Goods</u></i>				
Agriculture and Mining	0	6	2	8
Construction	0	2	4	6
Manufacturing	471	74	22	567
Transportation, Communications, Utilities	0	30	25	55
Wholesale and Retail Trade	0	62	64	126
Finance, Insurance and Real Estate	0	73	214	287
Private, Non-financial Services	0	36	50	86
Government	<u>0</u>	<u>1</u>	<u>9</u>	<u>10</u>
Sub-Total	471	284	390	1,145
<i><u>Total Impact From International Merchandise Trade Activity</u></i>				
Agriculture and Mining	0	6	3	9
Construction	0	2	6	8
Manufacturing	471	78	29	578
Transportation, Communications, Utilities	174	67	35	276
Wholesale and Retail Trade	0	68	95	163
Finance, Insurance and Real Estate	14	108	322	444
Private, Non-financial Services	0	57	71	128
Government	<u>0</u>	<u>1</u>	<u>9</u>	<u>10</u>
Total	659	387	570	1,616

Source: The Washington Economics Group, Inc.

**Table A.5 Economic Impact from International Merchandise Trade Activity**

Gross Regional Product (Million \$, 2003)

Industry	Direct	Indirect	Induced	Total
<i><u>From International Trade Transportation and Financial Services</u></i>				
Agriculture and Mining	0	0	3	3
Construction	0	4	17	21
Manufacturing	0	18	23	41
Transportation, Communications, Utilities	1,000	162	30	1,192
Wholesale and Retail Trade	0	34	166	200
Finance, Insurance and Real Estate	176	105	172	453
Private, Non-financial Services	0	192	200	392
Government	<u>0</u>	<u>6</u>	<u>12</u>	<u>18</u>
Sub-Total	1,176	521	623	2,320
<i><u>From Exports of Manufactured Goods</u></i>				
Agriculture and Mining	0	21	6	27
Construction	0	19	34	53
Manufacturing	2,175	285	80	2,540
Transportation, Communications, Utilities	0	115	93	208
Wholesale and Retail Trade	0	330	342	672
Finance, Insurance and Real Estate	0	120	350	470
Private, Non-financial Services	0	327	448	775
Government	<u>0</u>	<u>5</u>	<u>79</u>	<u>84</u>
Sub-Total	2,175	1,222	1,432	4,829
<i><u>Total Impact From International Merchandise Trade Activity</u></i>				
Agriculture and Mining	0	21	9	30
Construction	0	23	51	74
Manufacturing	2,175	303	103	2,581
Transportation, Communications, Utilities	1,000	277	123	1,400
Wholesale and Retail Trade	0	364	508	872
Finance, Insurance and Real Estate	176	225	522	923
Private, Non-financial Services	0	519	648	1,167
Government	<u>0</u>	<u>11</u>	<u>91</u>	<u>102</u>
Total	3,351	1,743	2,055	7,149

Source: The Washington Economics Group, Inc.

**Table A.6 State and Local Government Revenues, 2003 (Thousands of \$)**

	State	Local	Total
<i><u>From International Trade Transportation and Financial Services</u></i>			
Sales Taxes	44,899	8,939	53,838
Other Indirect Business Taxes and Fees	2,814	3,674	6,488
Property Taxes	1,906	33,323	35,229
Other Personal Taxes	3,167	4,135	7,302
Other Taxes and Fees	<u>5,991</u>	<u>7,820</u>	<u>13,811</u>
Sub-Total	58,777	57,891	116,668
<i><u>From Exports of Manufactured Goods</u></i>			
Sales Taxes	93,768	18,667	112,435
Other Indirect Business Taxes and Fees	12,165	15,881	28,046
Property Taxes	3,976	69,520	73,496
Other Personal Taxes	6,333	8,268	14,601
Other Taxes and Fees	<u>6,798</u>	<u>8,875</u>	<u>15,673</u>
Sub-Total	123,040	121,211	244,251
<i><u>Total Impact From International Merchandise Trade Activity</u></i>			
Sales Taxes	138,667	27,606	166,273
Other Indirect Taxes and Fees	14,979	19,555	34,534
Property Taxes	5,882	102,843	108,725
Other Personal Taxes	9,500	12,403	21,903
Other Taxes and Fees	<u>12,789</u>	<u>16,695</u>	<u>29,484</u>
Total	181,817	179,102	360,919

Source: The Washington Economics Group, Inc.

## APPENDIX II: IMPLAN MODEL AND METHODOLOGY

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The multiplier impacts calculated by the IMPLAN model are based on input-output methodology, which explicitly considers the inter-industry linkages that exist within an economy. Each industry needs labor and inputs from other industries in order to produce economic output. Whenever an industry experiences an increase in the demand for its output, many other industries within that economy indirectly experience an increase in demand as well because of these inter-industry linkages. This increase in demand that results from the need for material inputs is called the *indirect effects*. In addition, an increase in production within a region also leads to an increase in household income through the hiring of workers, which in turn generates further demands for goods and services within the region. Firms also need to expand their base of physical capital to meet higher levels of demand, and this too stimulates regional economic growth. The latter effects are referred to as *induced effects*. The inter-industry linkages and the induced effects on consumer and capital spending lead to successive rounds of production, and this process results in an increase in output that exceeds the initial change in demand, or a *multiplier effect*. Similarly, the increase in household income will exceed the initial payroll increase encountered in the industry that experienced the original increase in demand. The total change in employment in the regional economy is a multiple of the direct change in employment.

The following represents the system of equations that comprise the regional economy in an extended input-output model like IMPLAN:

$$\begin{aligned}x_1 &= a_{11}x_1 + a_{12}x_2 + a_{13}x_3 + \cdots + a_{1k}x_k + a_{1h}x_h + a_{1I}x_I + a_{1g}x_g + f_1 \\x_2 &= a_{21}x_1 + a_{22}x_2 + a_{23}x_3 + \cdots + a_{2k}x_k + a_{2h}x_h + a_{2I}x_I + a_{2g}x_g + f_2 \\x_3 &= a_{31}x_1 + a_{32}x_2 + a_{33}x_3 + \cdots + a_{3k}x_k + a_{3h}x_h + a_{3I}x_I + a_{3g}x_g + f_3 \\&\vdots \\x_k &= a_{k1}x_1 + a_{k2}x_2 + a_{k3}x_3 + \cdots + a_{kk}x_k + a_{kh}x_h + a_{kI}x_I + a_{kg}x_g + f_k \\x_h &= a_{h1}x_1 + a_{h2}x_2 + a_{h3}x_3 + \cdots + a_{hk}x_k + a_{hg}x_g \\x_I &= a_{I1}x_1 + a_{I2}x_2 + a_{I3}x_3 + \cdots + a_{Ik}x_k + a_{Ig}x_g \\x_g &= a_{g1}x_1 + a_{g2}x_2 + a_{g3}x_3 + \cdots + a_{gk}x_k + a_{gh}x_h\end{aligned}$$

The variables  $x_1$  to  $x_k$  represent total production of output in each industry. The coefficients  $a_j$  represent the purchases from industry “i” that are needed to produce a dollar of output in industry “j”. These are known as the *direct requirement* coefficients. The variable  $x_h$  refers to household income and the coefficients  $a_{hi}$  refer to the average amount of household income spent on purchases from industry “i”, or the *average propensities to consume*. The coefficients  $a_{hi}$  are similar to the inter-industry purchases ( $a_{ij}$ ’s), but they represent the household income that is generated from each dollar of output produced in industry “i”. The coefficients  $a_g$  represent government purchases from industry “i” per dollar of government revenue. The variable  $x_g$  represents state and local government output, and the coefficients  $a_{gi}$  represent government revenues collected from each dollar of output produced in industry “j”. Similarly the variable  $x_i$  represents regional spending on capital goods, and the coefficients  $a_j$  represent the spending on capital goods for each dollar of output produced in industry “j”. The coefficients  $a_j$  represent the amount purchased from industry “j” for each dollar spent on capital goods within the region. The variables  $f_j$  represent the exogenous final demand faced by each industry, respectively.

This system of equation reduces, using matrix notation, to the following solution for industry output, household income, and state and local government revenue:

$$X = (I - A)^{-1} F$$

X is the vector of industry outputs plus household income and F is a vector of exogenous final demands. The “output multipliers” (i.e., the change in industry output and household income that results from a change in final demand for the output of a particular industry) are given in the columns of the  $(I-A)^{-1}$  matrix. The IMPLAN software calculates these multipliers for counties, states and other sub-state regions. These multipliers can be used to provide a sense of the economic importance of an industry or an economic activity in a given region. The multipliers impacts for gross state product, labor and capital income and the government revenue impacts are derived from the basic output multipliers given by  $(I-A)^{-1}$ .

Our IMPLAN model uses historical relationships between public-sector revenues and regional economic output in order to estimate the public-sector revenue impact resulting from the establishment of a new, or expansion of an existing economic activity.

### APPENDIX III: THE WASHINGTON ECONOMICS GROUP QUALIFICATIONS

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***J. Antonio “Tony” Villamil***, Principal Advisor

Tony Villamil is Chief Executive Officer of The Washington Economics Group, Inc., serving until the summer of 2000 as Director of the Governor’s Office of Tourism, Trade and Economic Development of Florida. He is currently Chairperson of the Governor’s Council of Economic Advisors, and a member of the Board of Directors of Enterprise Florida. Mr. Villamil has over 25 years of successful experience as a business economist and as a public official of both the federal and State of Florida governments. He served as U.S. Undersecretary of Commerce for Economic Affairs in the administration of President George Bush, and most recently he was appointed to President George W. Bush Transition Advisory Committee on U.S. commercial and trade policies. Tony received his undergraduate and graduate degrees in economics from Louisiana State University (LSU) in Baton Rouge. Presently he resides in Coral Gables, Florida with his family.

***Robert David Cruz, Ph.D.***, Chief Economist

Bob Cruz serves as Senior Consulting Economist at The Washington Economics Group, Inc. and is a specialist in quantitative economics, modeling and simulation analysis. Dr. Cruz holds the position of Associate Professor of Economics and International Business in the Andreas School of Business of Barry University in Miami Shores. Dr. Cruz has extensive public sector and business consulting experience, having advised local governments and numerous domestic and transnational corporations over the past two decades. His academic career spans over 20 years as teacher and researcher and he has published numerous articles in professional journals and scholarly books. Dr. Cruz received his Ph.D. in economics from the University of Pennsylvania in 1985 and his Bachelor of Arts degree from Georgetown University in 1978.



**The Washington Economics Group, Inc.** has been successfully meeting client objectives since 1993 through economic consulting services for corporations, institutions and governments of the Americas. We have the expertise, high-level contacts, and business alliances to strengthen your competitive positioning in the growing marketplaces of Florida and Latin America.

Our roster of clients, over the past eight years, includes multinational corporations, financial institutions, public entities, and non-profit associations expanding their operations in the Americas.

#### **EXCLUSIVE CONSULTING APPROACH:**

Each client is unique to us. We spend considerable time and effort in understanding the operations, goals, and objectives of clients as they seek our consulting and strategic advice. We are not a mass-production consulting entity nor do we accept every project that comes to us. We engage a limited number of clients each year that require customized consulting services in our premier areas of specialization. These premier and exclusive services are headed by former U.S. Under Secretary of Commerce, Dr. J. Antonio Villamil, with over twenty-five years of experience as a business executive and as a senior public official of the U.S. and most recently of Florida.

#### **PREMIER CONSULTING SERVICES:**

Comprehensive Corporate Expansion Services for Florida. Our seamless and customized service includes site selection analysis, development of incentive strategies and community and governmental relations.

Economic Impact Studies highlight the importance of a client's activities in the generation of income, output and employment in the market area serviced by the entity. These studies are also utilized to analyze the impact of public policies on key factors that may affect a client's activities such as tax changes, zoning, environmental permits and others.

Strategic Business Development Services. These services are customized to meet client objectives, with particular emphasis in the growing marketplaces of Florida, Mexico, Central and South America. Recent consulting assignments include customized marketing strategies, country risk assessments for investment decisions and corporate spokesperson activities and speeches on behalf of the client at public or private meetings.

**VII.**

**OTHER BUSINESS**

**VIII. GOOD OF THE ORDER  
ROUND TABLE DISCUSSIONS**

**IX.       ADJOURNMENT**